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JPRS 81618

24 August 1982

# West Europe Report

No. 2019

19980826 102

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## KURDISH PRESS INTERPRETS 'TURKEY'S LAST CHANCE'

Huddinge ROJA NU in Turkish Mar-Apr 82 p 1

[Text] In the speech he delivered in Bursa, the leader of the fascist junta, General Evren, says that "the 12 September Movement" is the last chance of Turkey and that this chance will be exploited in the best way. As is known, while speaking of the Turkish state, the civilian and military fascists of Turkey stress that this state is the "last Turkish state." And for this reason "the preservation and protection of the last Turkish state" is being used as an excuse for all kinds of barbaric acts and massacres. Thus Evren stresses that the fascist junta and the fascist order it wants to establish constitute "the last chance of the last Turkish state."

With this speech and definition, Evren openly indicates that the junta will move toward further extremes and will act more heedlessly. This situation, in turn, creates "disappointment" among people expecting a "return to democracy" by the junta, particularly for those who provide direct or indirect support for the junta and those at home and abroad who fail to raise their voice against the junta, or keep their mouth shut. The situation becomes even more painful for those who indirectly rove about the struggle by ascribing certain missions, contrived in their imagination, to the junta.

Those who from the very beginning branded the junta as fascist and the forces, which aim at an antifascist common front and the establishment of "a Democratic People's Government" by toppling down the junta, evaluate the observed trend within the junta toward further ferociousness and heedlessness from a different perspective. For, as long as the junta fails to see its situation and position properly and does not face difficulties and obstacles in its efforts to establish a fascist institution and order, it will not resort to a more heedless stand.

Following his speeches in Bursa and Balikesir, Ecevit has been arrested twice so far. On the basis of written complaint reports by five attorneys of NAP [National Action Party] all the high-ranking officials of RPP [Republican People's Party], who had taken part in RPP administrations of the last few years, are being investigated. After preparations to establish their connection with the DISK [Confederation of Revolutionary Trade Unions] trial, the questioning of all the RPP parliamentarians is now under way. In this way a secret file providing for the arrest of those parliamentarians is being prepared. The junta cannot even tolerate trials at military courts despite their being held



just as a formality. As a result, it introduced changes in the law of military administration under which the reading of the charges during trials and the defense of the defendants after listening to charges brought against them will be completely eliminated. Moreover, under these changes the defendants will no longer be brought to the courts, and the requested sentences will be speedily passed on-the-spot. The scope of arrests and killings in Kurdistan grows every day. Events show that after 20 months from its coming to power, the junta not only feels uneasy but also has had to confront larger masses.

However, despite these developments certain circles or individuals, which once considered themselves as opponents of fascism or presented themselves as such, are still running after these false expectations and forming an ominous halo around the junta. Moreover, these same circles and individuals shamelessly dare to submit democratic constitutional proposals and drafts to the junta.

In particular, certain individuals and institutions are submitting requests for "a democratic constitution," more democratic than the 1961 Constitution shelved by the junta. Their reasoning is this: "Let us ask for a large pie; the junta may then give us a smaller piece." If and when the junta discloses the constitution it drafts, these circles will surely see to what extent the junta has accepted their proposals and drafts.

On the other hand, it is beyond any doubt that the constitutional proposals and drafts submitted--we cannot but call them instructions--by both TISK [Turkish Confederation of Employers Union] and the Union of Chambers of Commerce are very much in line with the reasons for existence and objectives of the junta. What is more, the Union of Chambers of Commerce wants a single chamber parliament and some insignificant rights, in its new constitution and also wants the president to have, among others, the right to suspend the constitution as a whole during "emergency situations."

"The curious ones," who want to know which proposals will form the basis of the constitution to be drafted by the junta, will satisfy their curiosity when the junta announces the constitution by keeping its "soldier's promise." However, those who are surprised after seeing the constitution will undoubtedly find consolation and hope in spite of their surprise, in the numerous "pro-Ataturk terms and institutions" in the new constitution.

But, a situation is in the making. How long will the junta, with increasing ferociousness, tolerate these circles? The present trend indicates that those who expect democracy and constitution from the junta will have the same fate of the famous German priest under Hitler fascism in Germany. Moreover, fascism will not show any pity to those who are afraid to talk and act in opposition.

Despite all the support it gets, the time is fast coming when the junta will face more and more opposition and will confront much larger masses, thus creating opposition cells at both active and passive levels. This situation and the developments created by it are surely being evaluated by the forces which aim at destroying fascism. "The last Turkish state" must be the last state of the colonialist and monopolistic bourgeoisie, and the military fascist junta must be the last chance of the colonialist bourgeoisie. And on the ashes of the last

Turkish state the first democratic state of workers must be founded in Turkey. We wish that during this period this last Turkish state had not created a "for good or bad, it is our state" psychosis in certain circles.

The situation is quite clear for the people of Kurdistan, the last colony of the last Turkish state [as published], and its revolutionary forces. It is the joint revolutionary struggle of the people of Turkey that will destroy the last chance of the last state of the colonialist, monopolistic bourgeoisie.

9558

CSO: 4654/331

## FINANCE MINISTRY FORECAST: RECESSION TO CONTINUE

Helsinki HELSINGIN SANOMAT in Finnish 22 Jul 82 p 19

[Text] In its review of the economic situation, the National Economy Department of the Finance Ministry predicts that Finland will probably continue to pull out of the international economic recession better than many other industrial countries.

The economic review is prepared four times a year. In the review which was published on Wednesday, the outlook for economic development until the end of the year is examined.

According to the Finance Ministry, the basic condition for getting clear of the recession is the raising of business firms' ability to compete. Their ability to compete has been constantly waning for over 2 years now. The review reminds us that the next round of wage agreements must be decided on from the standpoint of the ability to compete.

While the chief responsibility for a properly planned wage agreement lies with the labor organizations, it would be up to the government to impose as few conditions due to the pressures of expenditures as possible on supplementary wage agreements with its budget policy.

In its review, the Finance Ministry recommends that because of this it would be advisable to observe a policy of moderation in increasing public expenses and taxes and an analogous one for expenditures for the economy in the budget proposal to be submitted in September.

However, appropriations that are at least larger than at present should be granted for selective measures to support employment.

## Recession Continues

The Finance Ministry predicts that the economic situation will continue to worsen. Unemployment will probably increase during the first half of next year. The reanimation of exports to the West, which will be pushed until the end of the year, will, however, probably strengthen the growth of overall production.

The review of the economic situation describes the data obtained on the evolution of Finland's economy as being to a certain extent contradictory. Production growth has been slight, but, on the other hand, consumer demand has been lively.

So far, at least, the recession in private investments seems to have been slighter than forecast. Also, the increase in unemployment has leveled off since the end of last year.

Nevertheless, between January and June there were 26,000 more unemployed than a year earlier, or a total of 138,000 people.

According to the review, during the first quarter of the year the GNP grew by a half of a percent. The slight increase in overall production was primarily sustained by consumption. Economic policy decisions and a slowdown in inflation have raised the purchasing power of the domestic economy. In addition, money market activity has been slight.

Despite the easing of inflation, the rise in price and cost levels in Finland has been faster than in competitor nations. Without the adoption of special measures, our ability to compete threatens to be weakened next year too.

Between last December and this June, the consumer price index rose by 6 percent and the domestic market basic price index by 2.3 percent between November and May. According to the review, among other reasons, the drop in raw material prices on world markets has curbed inflation.

It is estimated that the consumer price index will rise only slightly between June and December. Thus the increase for the entire year would be 8 percent. Last year the index rose by 10 percent.

#### Industrial Production Has Diminished

Between January and April, factory industry production dropped by 1 percent from what it was last year. In the lumber industry the manufacture of wood products dropped still more sharply. The metal industry increased its production considerably with the exception of the metal product and electrotechnical industries.

As a rule, production in the other branches of industry diminished.

The Finance Ministry review alluded to the economic barometer recently published by the Industrial Confederation, according to which industrial production expectations are poor for the next few months. By the end of the year, however, the metal industry expects things to pick up.

According to a Bank of Finland investment survey, industry expects its volume of operations to drop slightly in the second half of the year. The volume of operations, nevertheless, would appear to be remaining at a higher level than during the 1976-1978 slump.

During the first half of the year, 5 percent less timber than the year before was cut. The logging of pulpwood increased slightly but that of logs [for poles, posts, etc.] decreased. The logging target of 35 million cubic meters was not achieved.

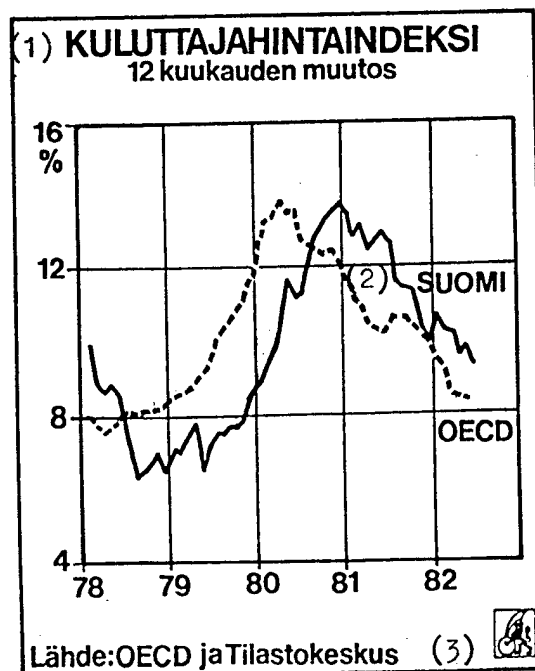
The logging objective in the agreement signed for this year is 37 million cubic meters. The suggested values of standing timber are 10 percent lower than the prices paid during last year's logging season for logs and 5 percent lower for pulpwood.

#### Money Market Activity Remains Slight

The Finance Ministry review estimates that money market activity will continue to remain slight during the next few months. The low-activity money market, high interest rates abroad and the instability of hard currency exchange rates have increased the net volume of short-term exports of capital this year. The demand for credit has shifted from foreign to domestic sources.

A gross volume of borrowing of 4.2 billion marks during the first half of the year has improved the government's financial situation. To cover expenditures, 0.3 billion marks taken from the contingency fund were used.

During the early part of the year the increase in government revenues was slight. In the course of the year government expenditures will continue to increase at a rapid rate and the increase in revenues will slow down. Thus the economic review predicts that gross funding needs will double as compared with last year's. The government's borrowing needs will probably also rise in the last half of the year by almost the same extent as they did during the first half.



Key:

1. Consumer price index: 12-month change.
2. Finland.
3. Source: OECD and Statistics Center.

11,466

CSO: 3107/152

## EXPORTS TO USSR LARGELY CAUSE BIG OVERALL TRADE SURPLUS

Helsinki HELSINGIN SANOMAT in Finnish 22 Jul 82 p 19

[Article: "Exports Increased Very Slightly Between January and June; Trade Surplus Doubled"]

[Text] During the first half of the year Finland's trade balance surplus amounted to 1.6 billion marks, which is twice as much as it was during the first half of last year. The Customs Administration Board's foreign trade review revealed that the country that received the largest surplus was the Soviet Union with 2.1 billion. Deficit trade balances, on the other hand, were incurred with the United States, the Federal Republic of Germany and Japan.

Despite the surplus, the export growth rate noticeably slowed down during the early part of the year. Between January and June of last year exports increased by 19 percent, but by no more than 6 percent during the first half of this year. Imports increased by 3 percent between January and June.

Export volume between January and June came to 31.6 billion marks and 30 billion marks for import volume. June exports and imports rose by only 2 percent above those of last year. The June surplus came to 459 million marks. The year before it was 447 million marks. The amount of goods exported was the same as it was last year.

## Lumber Exports Dropped

Between January and June the volume of exports to the West grew by 3 percent.

During the first half of the year lumber industry exports amounted to 12 billion marks, or about 1 percent more than last year. The fact that lumber exports dropped by about a fourth of last year's particularly affected the outcome.

As for paper industry products, cellulose exports dropped 4 percent. On the contrary, the export volume of paper and paper products rose by 10 percent.

Metal industry exports increased by 9 percent during the first half of the year. The volume amounted to 10.2 billion marks. Machine and equipment exports increased by 31 percent, whereas ship exports dropped by a fourth.

## Chemicals Increased

The biggest export growth was achieved in the chemical industry. Export growth amounted to 29 percent. Almost 2 billion marks worth of oil products were exported, whereas the corresponding figure a year ago was only 800 million marks.

Between January and June the Soviet Union's share of our exports was 26 percent, or twice as much as the second largest export country, Sweden.

During the first half of the year less fuels and lubricants than before were imported. Textile and clothing imports, among others, increased rapidly, as did imports of passenger cars.

Our biggest source of imports was still the Soviet Union, although imports from that country did drop. The Soviet Union's share of our imports amounted to over 20 percent. Both Sweden and the Federal Republic of Germany's shares amounted to 14 percent.

The trade balance surplus in trade with the CEMA countries was 1.7 billion marks, 1.3 billion in trade with the EEC countries and 300 million marks in trade with the developing countries. Trade with the EFTA countries was practically in balance.

	June		Change	January-June		Change
	1982	1981	%	1982	1981	%
Imports (c.i.f.)	4,967	4,859	+2	30,019	29,200	+3
Exports (f.o.b.)	5,426	5,306	+2	31,641	29,974	+6
Trade balance	+459	+447		+1,622	+774	

11,466

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## BRIEFS

SHIP DELIVERED TO USSR--The first of seven tugboats to be delivered to the Soviet Union was turned over to the party that ordered the boat, V/O Sudoimport, by Holming Shipyards of Rauma on Tuesday. The 5,000-HP boats that are to be built this year and next year are intended for port towing jobs and relief activities in fighting fires on natural gas transport ships and in port buildings. In addition to the usual equipment required for towing operations, they are equipped for fire-fighting with water and foam nozzles as well as powder-extinguisher and water-screen systems. For the safe handling of ships to be towed, the bows and sterns of the boats are provided with rubber bumper cushions and the sides and upper part of the superstructure with rubber buffer strips. Without the buffer equipment, the maximum length of the boats is 39.6 meters, the maximum beam 12 meters and the height of the sides 7 meters. The boats' warping power is 75 tons and their power sources are two 2,250-HP average-speed diesel engines. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 22 Jul 82 p 19] 11466

CSO: 3107/152

## THOMSON-CSF CHIEF GOMEZ SPEAKS ON FIRM'S PROFITS, GOALS

Paris L'EXPANSION in French 21 May-3 Jun 82 pp 83-87

[Interview with Thomson-CSF chief executive Alain Gomez, by Bernard Lalanne]

[Text] Nothing had yet been said, but there was no harm in waiting.

In appointing the new executives of the nationalized conglomerates, Thomson appeared as the promising newcomer, or indeed as the brilliant outsider doomed to the fate of a prince consort by an overly famous wife. However, Alain Gomez has all the talents except the ability to play a supporting role. After breezing through Harvard, ENA [National School of Administration], and the Inspection des Finances, at 35 he was appointed president of one of Saint-Gobain's major industries. Having entered politics on the extreme right, he found his place on the extreme left, founding CERES [Center for Socialist Studies, Research, and Education], along with Jean Pierre Chevenement and Didier Montchane. In 1969 these three denounced "the dispassionate intercourse of the left's unity, out of which has come only a miscarriage of the future" ("Socialism or Social Mediocracy"). These were the days of the poison pen of a certain Jacques Mandrin--a collective pseudonym--who in 1967 had already cut to ribbons the intellectuals of bourgeois society in "L'Enarchie."

A decade went by; Mandrin died, the inkwells dried up and the three musketeers turned in their swords. You don't clash swords with the same enthusiasm when you are a government minister or a president of a conglomerate of 130,000 employees.

Explaining his views for the first time since his appointment, Alain Gomez illustrates this metamorphosis here. The swashbuckler has become a sphinx, and he will not say a word about Thomson's strategy--the government will be the only one in which he will confide his intentions. The times have changed, he admits in putting out his cigar and donning his jacket for a photograph. But you don't change your ways. Under attack during the interview, he quickly brings out his fatigues and troops, and ruthlessly defends himself. With no fear of stopping in the middle of a sentence, he showers the interviewer with a long machine-gun blast, only to answer with a single shot a second later.

Although virtually no progress has been made on the industrial future of the conglomerate (the company's plan is supposed to be submitted to the government before the summer), you leave this sun-tanned executive with a curious mixture

of impressions--on his vitality (43 years old and with all his teeth), his idealism, and his dialectic agility, you leave with impressions on a whole value system that is somewhat underrated today--order, strictness, discipline--that people would like to see in operation, and, finally, on the nature of the theater of operations he has taken by storm for the past 3 months.... To our knowledge, nobody has ever before turned "the 317th section" under the porticos of a Florentine palace!

[Question] At the beginning of this month, you announced a historic "first" for Thomson--a 180-million franc deficit in 1981--and you predicted as much in 1982. Now, paradoxically, you claim that Thomson is unfairly underrated.

[Answer] I have not finished my projections. But the only idea I changed when I came to Thomson was the idea I had of it through what I had read and heard. I would point out that since 1970, this conglomerate has multiplied its sales volume by 2.7 in constant francs, that it has increased employment by 45 percent, that it has been the uncontested leader of the electronics business in Europe, and that it has been the only European group aside from Philips to have survived the free-for-all in the household electronic sector, and this with strong growth. This is the only idea I've changed. This leads me to raise questions not about Thomson, but about the way this country views things.

[Question] All the same, the success and profits of Thomson-CSF in the military or office electronics fields could not hide its weaknesses in the future consumer electronics area.

[Answer] Do you think so? I would say that Thomson's main success is its success with the general public. People must really stop spreading stories! What did Thomson have in the line of "consumer electronic" products at the end of the sixties? And today? You will see that its performance has been brilliant and that Thomson, along with Philips, is the only one still standing. Period.

[Question] However, your minister, Pierre Dreyfus, was the one who last November in L'EXPANSION referred to "the sad joke that the consumer electronics industry has played on us for the past 20 years." And he added: "There is no question of allowing them to put a French label on Japanese equipment." How do you react to this?

[Answer] I fully understand the message and have reflected on how to achieve the objective outlined. In a time of war, when a general says to a colonel, "you are going to take this position," he does so. In times of peace and in industry, there is room for discussion and explanations. And if, in the end, there are opposing views, the one in an inferior position must either submit or resign.

[Question] A current example ironically illustrates the problem of reconquering the domestic market. The market has no video tape recorders, and Thomson's absence is glaring....

[Answer] Thomson is not offering a French product, it's true. But the Japanese are not in the helicopter or long-range airplane markets either!

[Question] And the head of Thomson finds this situation tolerable?

[Answer] When video tape recorders become more widespread and important in the line of household products, then the situation will in fact be unacceptable.

[Question] And then?

[Answer] The answer comes later.

[Question] Should and can a nationalized Thomson continue to invest abroad?

[Answer] You cannot remain competitive with a market confined by national borders. There isn't any metaphysical question to raise. You have to be international and produce abroad. It is as natural as breathing. For instance, we have resumed business in Germany: "business as usual."

[Question] What alliances are you planning?

[Answer] An alliance is just one method. I am keeping all the options open.

[Question] Your losses in the telephone sector amount to 10 million francs a week, they say. And you have 5,000 too many employees. What do you say about this?

[Answer] Nothing.

[Question] It looks like people will be laid off....

[Answer] No comment.

[Question] What discretion for a nationalized firm!

[Answer] The rule for good management is that everyone speaks only about his own field of competence and what he is sure of. It is my shareholder who will make the final decision, and I cannot speak for him.

[Question] Your shareholder has all the same told you what his primary objective is--to create jobs....

[Answer] For me, the primary objective is to have a good industrial policy, one of the main results of which would in fact be to safeguard or create jobs.

[Question] In 1976, however, the way in which the Left approached employment in the nationalized conglomerates made you very skeptical. You told Andre Harris and Alain de Sedouy<sup>1</sup> that "the result is going to be increased production costs for these enterprises in comparison with the international competition, because of overly high wage costs. In the end, either there will be a return to the former way of thinking or French society will become isolated."

---

1. "Les Patrons," Seuil, 1976.

[Answer] I still say that if we do away with labor's mobility, the results will be as I outlined. But since when can't a national enterprise lay people off? If unfortunately there is no other apparent way to ensure the general soundness of a particular industry than to reduce the staff, then I will obviously follow that policy.

[Question] You also said that government appropriation of capital was a "primitive way" to achieve the objective!

[Answer] Listen, I am going to give you an example of a company. Student Machin, answer the following question: "tell me where the nationalized conglomerates would be in 1983, 1984 or 1985 if the former system had been continued and the trend had been the same." End of the problem. Let everyone answer according to his conscience and soul. I won't say anything further.

[Question] You got out of that one easily!

[Answer] Not at all. I am just suggesting a little business game, free of charge, to the readers of L'EXPANSION. Between 1976 and 1981, many things happened in France. There was an industrial policy and we have seen the results.

[Question] You aren't talking anymore about primitive ways?

[Answer] Certainly not.

[Question] Your discretion about Thomson's strategy could be interpreted wrong. After 3 months of "rule," do you feel that you are making your decisions independently?

[Answer] I believe that the rules of the game outlined by the president of the Republic constitute an excellent and new approach to the relationship between the government and industrial conglomerates. I would stress the word "new," since independent action was not always a characteristic of certain firms under the preceding liberal regime. Up to now, it seems to me that the rules have been followed to the letter, and if this situation should change, I would be the first to protest.

[Question] Others have protested.... You don't resent the "Hugon syndrome"?

[Answer] I am completely free. But I also like organizations that run smoothly, and, as Goethe said, I prefer injustice to disorder.

[Question] You have served the religion of profit for 12 years....

[Answer] Absolutely, and I intend to continue!

[Question] At Saint-Gobain. Your friend Alain Minc, who is still there, believes that nationalization represents that many dividends that the company will not have to distribute. Is that your opinion too?

[Answer] It is very simple. You have to make a distinction between creating profits and allocating them. To simplify things, we are working so that there is more coming out than going in, whether you call that profits, surplus, decreased prices for consumers, an increase in purchasing power for wage-earners, or whatever. We are there to create profits, that is our noble calling. It is up to the shareholder to allocate these profits. If he wants to receive dividends, he will receive dividends.

[Question] Some people fear the opposite instead, i.e., that nationalized enterprises will cost the government money. Would you personally regard a situation of this sort as a failure?

[Answer] In the medium run, yes. Once the field of operations and the objectives are clearly defined, the enterprise should no longer cost the government money; it should make a profit. I say in the medium run, since you cannot judge any action before 3 or 5 years.

[Question] The government has set another objective for you; changing the relationship between management and employees in the company. When Pierre Cabanes recently took over as manager of company affairs at Thomson, he went further and advocated change "through continuous discussions to arrive at a consensus." Will there be a sort of legislative body in your enterprise?

[Answer] Never. French firms are unfortunately suffering from deadlocks leading to confrontations that cost time and money. We must therefore be better informed and have more dialogue. But that has nothing to do with modifying the line of command.

[Question] However, you were advocating self-management not so long ago.

[Answer] Me? Never. You won't find anything on that subject by me. To start with, I really don't know exactly what self-management is....

[Question] I have in front of me your answers to Harris and Sedouy on self-management. "It seems to me," you said, "that this is the only way out for the system." And you have been claiming that ever since school.

[Answer] That quite simply means that there needs to be better coordination in the operation and organization of a firm. Let's first try to remove the obstacles in relationships between men, and then we will see.

[Question] You are going back 100 percent on what you used to say then....

[Answer] As far as what the ideal situation is, no. Let's wait for schools to be self-managed, and then we will look into factories. By spreading responsibility more evenly, we will already achieve better social harmony, and probably efficiency. It is not worth debating what is impossible.

[Question] Since you arrived, you have been publishing "staff orders" which are more similar in tone to the second Republic than to the CFDT [French Democratic Confederation of Labor]: Is this consistent with the dialogue that you are advocating?

[Answer] I told you that I loved order. To have a dialogue, a firm must operate like a well-run organization. Once the wheel is turning, then it can go on to other stages. My job is to ensure a profit, and that entails orders, and staff orders.

[Question] And military language?

[Answer] What can I say? Should I talk like Louis XIV and use the royal "we"?

[Question] The officers at Thomson were not used to being spoken to in that tone!

[Answer] I don't know. It is not really important. It doesn't interest me.

[Question] There is a rumor that the CGC [General Confederation of Managerial Personnel] is gaining followers at your firm.

[Answer] Really? That is the first time I've heard it. I don't know anything about that.

[Question] At Saint-Gobain, you didn't have the reputation for being a push-over. Roger Fauroux even gave you the nickname of "the street sweeper." In other words....

[Answer] That is no secret. I had the opportunity to assume business responsibilities at a young age, and since I was the newest one, I wasn't given the easiest cases.

[Question] You were attacked for hampering labor union activities!

[Answer] You know, when a driver causes an accident, it is the president of the firm who is responsible. So when you are at the head of an important firm, it would be quite surprising if, by virtue of the principle of the chief executive's responsibility, you did not have a few skirmishes from time to time. Everything is on your shoulders, that's normal, and everything will be on my shoulders here.

[Question] All the same, labor unions have regarded you as an abrasive manager....

[Answer] Is that right? As for me, I know of only two types of managers: those who succeed and those who fail. And I think that the labor unions essentially agree in full on this point.

[Question] Is this your concept of what a leftist manager should be?

[Answer] To belong to "the Left" means to have a certain idea of the distribution of national wealth. This has nothing to do with the methods to be used to produce this wealth.

[Question] At Thomson, you have not--or not yet--replaced any people. Should they be shaking in their boots?

[Answer] People are and will be judged on the basis of their performance on record and their ability to apply a particular policy. Period.

[Question] Let's assume--and this has happened elsewhere--that a Communist Party leader comes to visit your company. What would you do?

[Answer] (laughter) For myself, I obey the law: no politics in my company. If the law changes, we will see, but that is not going to happen anytime soon.

[Question] You are decidedly paradoxical. You embrace leftist ideas and at the same time behave in a way some people would readily call rightist. Do you find it flattering (for her it is a compliment) that Francine Gomez compares you to Jacques Chirac or to Francois Guillaume?

[Answer] I don't know.... That is France for you! It would be all too easy if leftists were bunglers, flops, spineless, incapable people, and if the right had a monopoly over competence and success! On this point, I refer you back to my little business game....

[Question] Left, right.... Admit that your convictions have changed somewhat in 25 years. A Fascist (you yourself said so) in 1958....

[Answer] Everyone in France was for "French Algeria"....

[Question] From that to being "Fascist" and Pierre Lagailarde's chauffeur!

[Answer] At least I haven't been a member of the National-Socialist Party!

[Question] Then you went to the ENA, you founded CERES with Jean-Pierre Chevenement, and you joined Saint-Gobain in 1969. That same year, you published the pamphlet "Socialism or Social Mediocracy," where you explained that "having gone off to conquer power, socialists found themselves in a bourgeois soup-line." Is it pure coincidence that this was published at the time you joined Saint-Gobain?

[Answer] Because you think that working in a firm is like going to the soup-lines? A job in industry is something in which you have to prove yourself every day, it is earned--and it can be lost. I started in industry exactly as one starts in religion or in the army. What I did was go to work.

[Question] But it has been 12 years since you were involved in CERES.

[Answer] Not at all. I have only eliminated those activities that seemed to me to be incompatible with my job.

[Question] You don't appear to enjoy polemics as much as before?



[Answer] Times have changed, you know. Now the stakes are high, it is no laughing matter. It is war, and "belle epoque" behavior is no longer in fashion in the trenches. And since I am 10 years older, living in a world that has completely changed, my vision of the world is different.

Having said that, at the time I was convinced that our system of government was incapable of solving France's problems, that it had fallen from grace and should be thrown out. It was thrown out. That does not mean that its successors will be successful, but it is normal that they have a chance. And I have believed this for the past 16 years.

9805

CSO: 3100/731

## ECONOMIC CLIMATE VIEWED FOLLOWING RECENT RESHUFFLING

Athens ELEVTHEROTYPIA in Greek 12 Jul 82 p 7

[Excerpt] The assumption of responsibility for the country's economic recovery by the new economic leadership is bound to give rise to understandable comments, suggestions, criticism and press analyses on the beliefs of the new economic braintrust, their theoretical choices, their practical orientations, their "credo." Is it capitalist and on which points? Is it socialist, and of which shade? An what does all this talk mean as concerns the people's standard of living, and its consumer-oriented models? This is a question on the lips and the minds of the simple people, the simple reader, the farmer, the small businessman, the artisan, the working person. The answer is not easy. It will be a simplification--if not an over-simplification--to argue that, since the new braintrust participates in a socialist government, its policies will be socialist in the same way they would be "capitalist" if today's government was under the New Democracy Party. The answer becomes even more difficult because the "credo" of Ger. Arsenis, Dim. Koulourianos, and Kostis Vaitzos cannot be determined by their actions simply because those actions do not exist yet.

But even when those actions are initiated again their "credo," their position will not necessarily be determined by them. This is because in along period of transition to socialism such as the one we are now going through (at least its initial stages) many steps are taken in the context of the existing system, or when there are some institutional changes, the boundaries between institutional changes (which take place in the context of the existing system) and the structural changes which tend to change the system are not always clearly visible.

According to reliable sources, the views of the new economic braintrust on the role of the public and the private economic sectors are summarized as follows:

1. There is no question of antagonism between the private and the public sector. If the public sector comes to cover gaps or to engage in activities where there is no interest by private entities, or to streamline the functioning of the private sector, then all these activities do not constitute a threat for the survival, operation and development of the private sector.
2. Public sector enterprises will invest anyway as long as the private sector does not become active; because it is a common conviction that inflation and unemployment will not end without investments.

3. Foreign capital is welcome in Greece, especially in investments of advanced technology. These investments, however, will not place Greece in the position of accepting obsolete technology in order to assure the multinationals the elimination of its new, developing technology.

#### The Standard of Living

We already have several positive signs to establish their "credo" on the role of the public sector and the foreign investments as well as a host of "clues" about the theoretical views of the new economic braintrust. But we do not have similar data regarding the views of the new ministers on questions dealing with the improvement of the standard of living. As the current Deputy Minister of Commerce Th. Pangalos correctly observed, these questions are most important in the eyes of the people:

"We must not hide from ourselves the fact--he said before the election--"that the broad masses of the people look forward to the socialist change as a situation that would raise again their standard of living, which would start again assuring higher real wages.... But the way of life is not determined only by the number of goods one can buy but also by the leisure time, the content of life, the purity of the air we breathe and many other things."

The new ministers are called "to pass the test" on exactly those points with practical and urgent measures in the economic sector and with assured public support which adds effectiveness to any measure of economic policy.

7520

CSO: 4621/458

## BRIEFS

INCREASED REVENUE--The first quarter budget revenue increased by 32.8 percent compared to the corresponding quarter in 1981. Specifically, and according to Ministry of Finance data, the total revenue [in the 1982 first quarter] reached 111 billion drachmas. The breakdown of this amount is as follows: The revenue from taxation is 101.6 billion drachmas. The revenue from direct taxes increased by 47.5 percent and totaled 24.8 billion drachmas compared to 16.8 billion drachmas in 1981. The income from indirect taxes was 76.8 billion drachmas compared to 55.6 billion in 1981 (an increase of 38 percent). The revenues from enterprises and on other non-taxable services (fines, etc) was 7.1 billion drachmas while 2.1 billion drachmas represents an EEC contribution. [Text]  
[Athens TA NEA in Greek 13 Jul 82 p 12] 7520

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CSO: 4621/458

## INFLATIONARY PRESSURES SEEN INCREASING

Madrid ACTUALIDAD ECONOMICA in Spanish 8 Jul 82 p 29

[Article by Jeronimo Martel]

[Text] For 1982, the goal for growth in cash liquid assets (M3) should be on the order of 15.5 percent (that is, it should fluctuate between 13 and 18 percent). This general reference figure obviously corresponds to the growth expected in prices and real income. Now then, the Bank of Spain's records show that during the first 4 months, the growth of money supply has been around 18.3 percent. "The process has been speeded up, basically, by the intensity of private sector recovery."

Sources at the Bank of issue have informed Actualidad Economica [AE] that, if a really sensitive indicator is used, such as the quarterly average compared to the average for the quarter beginning one month earlier, then the March-April-May quarter has increased 21.2 percent over February-March-April. We are thus dealing with a significant change.

On the other hand, according to the relevant budgetary projections, the Bank of Spain is expected to finance the public sector to the tune of some 600 billion pesetas in 1982, and those same sources at the Bank of Spain confirmed that "during the early part of the year those projections have been exceeded, due to the fact that growth was faster than projected. It is nevertheless difficult to estimate exactly, among other reasons because the figures can fluctuate every day by amounts of as much as 10 or 20 billion due to operations of various kinds." In fact tensions within the system have been blamed, tensions expressed in the highest prime interest rates for very short-term loans.

## Deficit for Deficit

The treasury transfers its deficit to the Bank of Spain, thus injecting liquidity external to the system. And the worst of it is not the fluctuation that this produces, but rather the Treasury deficit's volume and its distribution. On the other hand, this behavior of the public deficit may seriously compromise the results of monetary policy. Thus, if the Bank of Spain were to allow the growth of M3 to definitely exceed 20 percent, then within a short time--our reporters were assured by sources consulted at the Bank of Spain--"inflation would reach 22 percent." Even so, we are now at an inflation rate of slightly over 14 percent.

Of course the public deficit is not the whole problem. For example, the foreign sector problems imply injections and drains of liquidity--more of the former and less of the latter at this time--through the purchase of foreign exchange and vice versa. Above all, the present economic situation suffers from a disturbance in the monetary balance as a result of the wage-price spiral.

It is useless to determine precisely, econometrically, the demand curve for money based on projected behavior of prices and incomes used as an index figure--with a price to incomes ratio of one to one and a fraction--as a function of the increase in M3, if the Treasury comes along, as they say, with its cutbacks.

#### The Dilemma

The Bank of Spain has to control cash liquid assets monetarily by means of other, Compensatory transfers that permit it to maintain the monetary base at the desired level. What happens is that the excessive public deficit absorbed by the Bank of Spain puts the bank on the horns of an extraordinary dilemma. It can either raise the banks' minimum cash reserves requirement within the margin of discretion it has, or it can call in loans to the nation's banks, or sell the banks--in other words issue--certificates of monetary regulation.

The first of these measures comes free, because it only involves raising something that costs nothing, but it would raise the price of credit to the banking community. The second measure is a one-shot item with no ongoing effect. The third presupposes paying for the public deficit at market prices, insofar as the nation's banks are free to do so. At every turn, the Bank is caught on the bull's horns...What is more, if it chooses the least impolitic of these measures, the third, it must place its certificates of monetary regulation at rates closer to the prime bank interest rate, which means that lately the certificates are costing it a good 17 percent. But there is still more. It is now being said that the issuance of these certificates pushes interest rates up by competing with alternate forms of investment. What to do, then?

This is a matter for the Bank of Spain; it is precisely what the bank is for. According to the sources interviewed by AE, "it is generally believed that we will get back on track without too much friction, because there is in fact a will to return to normal, smoothly, with the least possible trauma, meanwhile reducing the imbalances that exist, so as not to provoke or allow serious disturbances."

#### Protests

Who remembers those notorious times--the decade of the 1960's through 1977--the fat years, when the Bank of Spain injected more and more liquidity into the system to finance development? Today that memory has faded. And the entrepreneurs, especially the bankers, are now up in arms. This is understandable. Today as then, nonetheless, it is necessary to avoid oversimplification.

Thus, for example, while it is true that excessive enlargement of the public deficit leaves a smaller piece of the pie for the private banking community, it is also true that these public expenditures, even if they bypass the banking sector, act as a motor to the economy. It is also well-known that this theory did not arise here, but in North America, and during better times than these. What is happening, surely, is that this direct injection of liquidity contains a strong redistributive mechanism, with all its implications; also that, with absolute certainty, and as far as the non-financial business world is concerned, financing businesses that are having trouble is, purely from the point of view of financial health equivalent to limiting resources available to healthy business firms that might otherwise end up being the only firms left on earth.

9839

CSO: 3110/180

## MUMCU PONDERES TURK-IS, TISK UNIFICATION

Istanbul CUMHURIYET in Turkish 29 May 82 pp 1, 11

[Article by Ugur Mumcu in the column "Observation": "Why Separate?"]

[Text] If Turk-Is [Turkish Confederation of Labor] and TISK [Turkish Confederation of Employer Unions] were united, first the word "union" and then "confederation" and "Turkish" words would be saved...Saving is essential!

Is there any "ideological difference" between Turk-Is and TISK? No, why there should be...Then, does this separation make any sense? Since they believe in the same ideology, why are the two confederations separated?

Each organization has its right and left wings as well as a center. In the event of unification between Turk-Is and TISK, "the Turkish Confederation of Labor and Employer Unions," the result of such a unification, will have its left wing and Turk-Is will occupy that position and thus will solve the problem.

Even this placement and move might cause friction. What could happen if some businessmen, such as the chairman of TUSIAD [Turkish Industrialists' and Businessmen's Association], Ali Kocman, insists, "I am not at the right of Turk-Is," and businessman Murtaza Celikel, who wants "the nationalization of the banks" says, "No worker can be more leftist than me." Such things may happen. In such an event we will place Turk-Is at the center instead of left wing. In any event, Turk-Is opposes both the "extreme left" and "extreme right." The best possible place for Turk-Is is the "extreme center." Therefore, we will place the Turk-Is bosses at the center of the labor-employer organization to be established.

Today, it is not only difficult but also impossible for Turk-Is to ascertain its position. For, as is known, until now, Turk-Is was following "a policy above parties." However, in the absence of parties today, it is not known above what and what kind of policy Turk-Is will follow.

Bur, Turk-Is has our highest esteem....

There are no ideological differences or enmities, described as "opposing views," between Turk-Is and TISK headed by our tender businessman Halit Narin, the permanent chairman of TISK. On the contrary, there is an ideological and political solidarity.



In our country, capital is capricious, businessmen are tender and free enterprise timid. This is why TISK is not calling on Turk-Is, "let us unite." Therefore, the first step must be taken by Turk-Is.

According to statements by TISK, our workers are considered "a happy minority." In order to have a little share of this happiness, should not our businessmen unite with the workers under the roof of the same organization? Why should they remain separated when they like each other?

Yes, they must come under the same roof. The roof of Turk-Is has recently been renovated. Any leakage is out of the question. The windows of Turk-Is are closed to both extreme left and extreme right. There is no reason to hold this unification.

Employee and employer are like a nail and flesh. Separation of one from the other causes pain. Are not the index fingers of both Turk-Is and TISK pointing the same direction? Why then are the nails on these fingers separated?

They must "cling together, swing together." Turk-Is is the hook of TISK and TISK is that of Turk-Is. Thus, this separation is meaningless.

We, therefore, propose the unification of TISK and Turk-Is after their respective extraordinary general meetings and submit our deep respect to both organizations.

9558

CSO: 4654/343

## GEZGIN INTERVIEWED ON STATUS OF BANKING SYSTEM

Istanbul CUMHURIYET in Turkish 20 Jun 82 p 6

[Text] Nurullah Gezgin was born in 1927 in Istanbul. He graduated from the Faculty of Law at Istanbul University and worked as a lawyer until 1960. Subsequently, Gezgin began a career as an industrialist and occupied various positions within the Istanbul Chamber of Industry. Between 1972 and 1979 he served as chairman of the Steering Council of the Istanbul Chamber of Industry. Gezgin was once again brought to this position in 1981.

Question: Mr Gezgin, I wish to discuss with you the primary issues confronting private sector industry and in particular the various dimensions represented by the issue of financing. But first, recognizing that you also served at your current position during the 1970's, I would like to ask you the following question: How have the issues that confront Istanbul's industry which represents the jugular of Turkish private sector industry evolved since the 1970's? What kinds of changes have been undergone by these issues?

Gezgin: In my opinion, the period between 1970 and 1973 represented the happiest days of private sector industry. If today's Turkish industry has attained a certain point, this is certainly due to the investments made in those days. In the period between the 1973 oil crisis and the 1980's Turkish industry has been confronted by two important issues. One of these was the issue of imports or the problem posed by the obtaining of imported products. Following 1977 the deterioration of the labor climate also emerged as a serious problem and reached such proportions that the combination of import difficulties and the deterioration of the labor climate pushed industrialists to ignore concepts such as quality and production costs and concentrate upon maintaining production. This was possible because industrialists had secured the opportunity of easily selling what they produced.

Question: What about the issues of today, the issues of the 1980's?

Gezgin: Today, import difficulties and the labor climate have ceased to be issues but the issue of not being able to sell what is being produced has gained importance. This weakness in demand has brought to the surface the all ready crippled condition of financing. The latest survey that has been conducted by the Istanbul Chamber of Commerce has given results that point to those two factors as the primary causes for having to operate at low capacity.

Question: The question that comes to mind is whether as it seems there are close links between the emergence of today's problems and the format adopted by Turkish private sector industry at its inception?

Gezgin: We see two significant events at the time of the establishment of Turkish private sector industry. The first is the use of low interest rates and fixed exchange rates. The second is that as Turkey became acquainted with liberal parliamentary democracy during the same period, it was very natural that an industrial system oriented towards the production of exports would emerge. Such an industry would have no problems of obtaining financing or selling its products. In my opinion, the establishment of such an industry suffers from two flaws for which the governments of the period share responsibility. The first flaw is the lack of attention given to the problem of domestic resources. The second is the lack of thought towards the question of how to meet the cost of imports. During that period, it was considered to be foolish to establish facilities or conduct business by using domestic resources. I very well remember the days when those who established industrial facilities with a 10 percent content of domestic resources were looked upon as fools. Neither the industrialists nor the governmental leadership of those days were able to perceive the flaws in establishing an industry in that manner. In my opinion, more than the type of industrialization that has been selected, it is the fact that industry was established without thought for its future that has brought us face to face with today's problems.

Question: In other words, it seems possible that the roots of today's problems in financing may be sought in the errors of those days....

Gezgin: At this time we should also remember certain things. In those days when demand was strong you could see industrial establishments which first set up their distribution mechanisms and later developed their own sales companies. These industrial establishments remained on their feet by meeting the need for operating capital through down payments obtained from consumers. Following 1980 the rules of the game changed completely. Fixed exchange rates became fluctuating exchange rates and cheap credit became expensive credit. Moreover, the industry that has made investments by borrowing from abroad has its investment debts turn into an ever increasing burden as the result of differences in the rate of exchange.

Question: It has been recommended that we turn towards foreign countries as a solution to this problem. Do you consider this to be a viable short range solution?

Gezgin: Keeping in mind what I have tried to summarize earlier, such a recommendation would be comparable to suddenly placing into international competition a team accustomed to playing in local leagues. While there could be instances of individual success, Turkish industry as a team does not appear to be strong enough to accomplish this anytime soon. Although the Turkish entrepreneur or the Turkish industrialist has a high capacity for adaptation, an industry that has served the internal market for a period of 30 years has a very small chance of becoming totally oriented towards foreign countries. For this reason, it is impossible to accept any mentality that treats as "first class citizens" only those industrialists who can turn towards foreign countries.

Question: Sir, with your permission I wish to turn now towards the problem of financing which is the central theme of our discussion and solicit your views concerning relations between the banking sector and the industrial sector. Perhaps from there we could go into issues of current interest.

Gezgin: In Turkey, the banking system occupies a very important and delicate position within the economy as a whole. It also seems as if banks are the beneficiaries of some kind of immunity. When in periods of great crisis we send survey forms to our more than 6,000 members and solicit their complaints concerning banks, we receive replies from a mere 50 persons. This is indicative of fear.

Question: What is the source of this fear? Is it the structure of the banking system?

Gezgin: To start with, there are certain deformations within our banking system. Certain groups in Turkey who jumped from commerce to industry are now seeking to pull along the banking system. Certain brokerage firms and certain family owned firms are encroaching into the banking sector. Every growing or expanding brokerage firm is inevitably moving towards securing ownership of a bank and brokerage firms are extending competition among themselves into this field. This situation results in speculative overtures towards banks and particularly in the intensification of efforts to gain ownership of small banks. Yet in my opinion it is extremely dangerous to enter into speculation over the banking sector and great vigilance is required on the part of government as well as industry concerning this matter. Still, I am not of the opinion that sufficient vigilance is being demonstrated.

Question: How are other industries and industrialists influenced when as you say, private banks fall under the control of certain family owned companies and brokerage firms?

Gezgin: These banks say that they "do not direct their assets towards their own foundations or shareholdings." This however is the way things appear on the surface. Undoubtedly certain foundations must derive advantages from a standpoint of financing or at least security by the operation of such a system. This would explain the race among brokerage firms towards obtaining ownership of banks. In my opinion, it is also very noteworthy that some groups have recently sought to secure influence within an important bank by deflecting certain trust foundations from their original objectives and seeking to draw them into the banking system. I believe that such incidents lower the quality of the banking system.

Question: Can we elaborate a little more upon the difficulties faced in connection with this banking issue by the industrialist who does not own a bank or who is not under the protective umbrella of a brokerage firm?

Gezgin: When as is the case now, the shortage of credit within the market becomes more acute, banks give preference to their own foundations. Because of this preference, the industrial sector that seeks smaller loans with a lower risk is being neglected. As a result, the group of small and intermediate sized industrialists who are rejected by the banks find themselves excluded

from the process. Having already given large credits to large foundations close to them, banks feel compelled to give preference to these foundations for the purpose of lowering the risk inherent to their earlier loans. Yet, a majority of these loans are not even directed towards production, let alone investment. These are credits extended for the purpose of repaying debts through the use of borrowed money and keeping companies on their feet not in the economic sense but from a legal standpoint.

Question: Sir, taking into consideration all that you have said as well as the race towards higher interest rates which as almost everyone agrees has entered a dangerous situation; how do you assess the decisions taken by the Council on Money and Credit?

Gezgin: Before going on to an assessment of these decisions, I would like to say one or two things about government intervention into the banking system. At this time you could enter into a credit agreement with a bank and this bank could subsequently tell you that the date on which your credit is to be extended has been postponed indefinitely. As a reason for its action the bank would point to the fact that the Central Bank has reduced its lending reserves to 75 percent of their original level. When the Central Bank reduces its lending reserves and suddenly begins to request that banks should fulfill their obligations towards the purchase of treasury bonds and the maintenance of cash reserves, this naturally places a strain on the liquidity of banking assets and is reflected upon industry in the form of a credit shortage. In my opinion, such measures should not be taken suddenly but should be implemented over a period of time. The monetary sector suffers from adverse results when sharp turns are taken in the banking sector and sudden moves replace gentle actions. In fact the latest decisions are highly positive in that they are oriented towards the purpose of providing protection to bankers as well as savers. But I believe that it was wrong to suddenly bring up these matters after having neglected them until this day.

Question: As far as I can tell, you are of the opinion that it would be more useful for the banking system to be overseen on a continuous and sound basis....

Gezgin: Until today bank oversight has not been conducted at an adequate level. The Ministry of Finance has very broad powers concerning this matter, to the point of having the power of changing the steering councils of banks. Until now, however, these powers have not been exercised to their fullest. For instance, compare the balance sheets that the banks make public to those they give to the Ministry of Finance. They claim profits in the billions and yet do not pay any taxes. As a citizen, I would not know which version is correct yet my money would be deposited at those banks. When a bank advertises that its balance sheet is accurate what is being implied is that the balance sheets of other banks are inaccurate. Keeping in mind that they are establishments that serve society as a whole, it is important that we begin to provide very serious oversight of banks.

Question: In arriving at today's situation....

Question: In your opinion, what could be done to prevent this?

Gezgin: I believe that it would be possible to maintain interest levels at realistic levels through the influence of large private banks and state owned banks that hold a large portion of deposits. If certain measures are taken and scrupulously implemented in the case of small, adventure prone banks that would not go along with this; such adventurism could be prevented. Moreover, the government should closely follow the situation and should think about other measures in case this experiment involving the participation of large banks is not successful within a certain period. It is essential that the situation be closely followed.

Question: Sir, I would finally like to come to the issue represented by the shortage of resources which I believe lies at the foundations of all of these issues....

Gezgin: This shortage involves the industry as well as banks. When deposit increases do not attain an expected trend the competition among banks turns into a rush towards known sources and this brings with it certain dangers. Banks become faced with larger responsibilities, confront liquidity problems and are brought to reduce investments. This could place into a very difficult position those enterprises that depend on day to day bank credits to remain on their feet. We have entered a very delicate period from this standpoint.

Question: What kinds of measures could be taken in the short run to surmount this critical period?

Gezgin: First of all, the industry which finds itself in a difficult situation should be selectively allowed to benefit from a program which would make it easier for industry to obtain credit. For instance, the employment provided by an industry can be used as a criterion in doing this. Second, certain debts incurred by industry could be consolidated at low interest rates and the difference (between the original and the new interest rate) could be bridged by the Central Bank. If this were to be done, the industrialist would be saved from the need to repay old debts with newly obtained credits and the new resources could be oriented towards production. Naturally, an increase in production could also yield positive results from a standpoint of controlling inflation.

Question: Do you therefore perceive debt consolidation as a necessity from the standpoint of breaking the unproductive trend of today's financing?

Gezgin: Yes, but in doing this it is very important to remain within objective criteria and to make the sector of industrialists benefiting from the program as wide as possible. Facts such as who is able to cry the loudest in Ankra or who has the greatest number of relatives should be ignored.

Question: Perhaps the state will have to intervene and provide guidance at this point as well?

Gezgin: I believe that at this point the state has to intervene in this matter. If the banks were to be left entirely on their own and the companies were to be abandoned to their fate on nonreversible tracks, the emergence of highly undesirable results could become inevitable. Let me also indicate here that government intervention in the banking system is frequently seen in countries where the free market economy is applied to the fullest. If the free market economy is interpreted in a manner that precludes state intervention within the banking system and this system is forced into impasse, this more than anything would cast a shadow upon the principle and functioning of the free market economy.

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CSO: 4654/362

## AKTURK SURVEYS ECONOMY, CURRENCY, ENERGY

Istanbul DUNYA in Turkish 31 May 82 p 1

[Text] Ankara (DUNYA)--Undersecretary for State Planning Organization Yildirim Akturk has said the inflation rate will be reduced to below 20 percent toward the end of this year. Akturk spoke during a panel discussion organized by the Academy of Economics and Commercial Sciences of Eskisehir on the Turkish economy in the spring of 1982. Stating that the level of energy crisis has reached a stage where it could suffocate the economy, Akturk said: "If the situation goes on like this it may reach a suffocating stage for the economy."

Stating his views on development trends of the Turkish economy during recent years, Akturk said that the greatest weakness of the economy at the beginning of 1980 was the lower level of exports and added that the export campaign launched in 1981 is in a satisfactory track. Akturk noted that the rate of increase in exports is expected to grow and said the state gives priority to investments for infrastructural projects. Akturk said the rate of growth for this year may be more than the projected 4.5 percent.

Examining the pre-1980 economic conditions, Akturk said: "Short-term thinking became the prevailing factor behind uneasiness and decisions made during inflationary economic conditions. Therefore, under such conditions no enterprising sector could undertake substantial medium-term investment and production planning." On the policy of the daily exchange rate put into effect, Akturk said:

"At this point we must refer to the efforts aimed at artificially maintaining the value of the Turkish Lira, as if we are protecting our honor, at a much higher level than it should be. Today, we are trying to maintain a lower purchasing power and exchange value for the Turkish lira. If you recall, until the last 2 years, reports of devaluation were appearing under banner headlines in our press. Today, this situation has become a natural event. One can describe this as a revolution."

Stating that there will be no turning back from the foreign exchange policy now being implemented and that important strides were made in the direction of establishing a sound balance of payments, Akturk referred to the existing interest policy and said:



"The present interest policy encourages savings. With the growing amount of savings at the banks, we are allocating the funds to priority sectors and satisfying the needs of sectors such as export, agriculture, tourism, small industries and other industries supported by us. This tight monetary policy may be affecting trade and those sectors of industry which need business credit. As you see, the basis of the policy we implement lies in the interest policy. In this way, money becomes very valuable for the industrialists and entrepreneurs who are being forced to make use of money accordingly."

Pointing out that after the 12 September measures to increase tax revenue and revitalizing the public sector were put into effect, Akturk said after 12 September tax revenues, which were eroded by inflation, have been brought in line with the prevailing conditions.

Stating that at the beginning of 1982 the amount of "the package investments" reached 7 trillion lira, Akturk said, "In addition to this there are also means of another 650 billion lira for investment." Akturk then added:

"It is for this reason that certain investments have been stopped, almost blocked and some others postponed. By doing so, projects with larger investments have been given priority. The distribution of investments by sectors is now left to its natural course. The way to come out of the present situation is to achieve industrialization in accordance with the list of goods exported."

Noting that the fundamental factor in development is the administrative "decisionmaking," Akturk said he believes the rate of increase in exports will steadily grow. Referring to the narrow straits in the economy, Akturk said: "The energy crisis continues to be the number one problem. If it continues at its present level it may reach a point where it may strangle the economy. In transportation, investments in highways and railways and the development of ports; in agriculture, infrastructures such as irrigation, fertilizers and pesticides; and social projects have priorities. We have given lower priorities to the manufacturing sector. Instead of creating new workbenches we have preferred to use the existing ones and spare parts."

Akturk said that the projected 4.5 percent growth rate can be achieved and that there are hopes for inspiring developments in the agricultural sector. Referring to inflation and unemployment, Akturk said:

"We will reduce the inflation rate, which was 35 percent at the beginning of 1982, below the 20 percent mark by the end of this year. Unemployment is another major problem but its solution appears on the horizon. We will solve this problem by the absorption of (unemployed) by overseas contractors and by new investments."

Speaking after Akturk, President of the Istanbul Chamber of Commerce Nuh Kusculu said that price increases at the beginning of 1982 were the result of increases at the prices of goods produced by the state economic enterprise. Kusculu added that new measures are a must for the reorganization of the state economic enterprises.

## STATISTICS, DILEMMAS OF TURKISH WORKERS ABROAD GIVEN

Istanbul TERCUMAN in Turkish 25 Jun 82 p 13

[Text] There are more than 2 million Turks working abroad. A report compiled by the Labor Ministry's Directorate General for the Problems of Workers Abroad says:

"The total number of our workers abroad in 1969 [as published] was 801,769, but rose 10.8 percent to 888,290 by the end of 1980. The number of our citizens abroad rose 14.7 percent from 1,762,882 to 2,028,102 in the same period.

"The number of children abroad in 1980 had risen 20.3 percent. In 1979, there were 617,142 children, rising to 744,766 in 1980.

"Children in the 0-6 age group rose from 250,435 in 1979 to 273,741 in 1980, and children and youth in the 7-18 age group rose from 366,707 to 471,025.

"While 63 percent of our citizens abroad were employed in 1974, this ratio dropped to 44 percent in 1980 owing to the growing number of accompanying family members. Of our workers now employed abroad, 86.7 percent are in Europe (80.1 percent in EEC countries and 66.5 in West Germany alone) and 11.3 percent are in Middle Eastern countries."

#### Who Is Where

As seen by the above figures, more than half of the Turkish citizens in Europe are wives and children who do not work. Turks were first among foreign workers to be affected by unemployment in Europe in 1981 and 1982 and this has reduced even further the percentage of employed Turks in these countries. This rise in unemployed Turks has led to even more problems. The report cited above gives the following distribution of Turkish citizens in Europe:

"There are 1.462 million Turkish citizens in West Germany, 121,712 in the Netherlands, 92,772 in France, 66,563 in Belgium, 15,841 in Denmark, 6,000 in Britain and 500 in other EEC countries, bringing the total in EEC countries to 1,765,788.

"There are also 65,000 Turks in Austria, 35,857 in Switzerland, 16,205 in Sweden and 2,252 in Norway."

There are also 32,500 Turks in Australia, according to the report.

## In Arab Countries

After 1974, Europe began closing its doors to Turkish labor, which then turned to the Middle East. The above report gives the following information on this:

"There are 40,000 Turks in Libya, 46,000 in Saudi Arabia, 8,000 in Iraq, 3,000 in the United Arab Emirates, 2,000 in Kuwait, 1,500 in Bahrain-Qatar, 1,500 in Jordan and 1,000 in Lebanon."

According to the report: "There are 733,366 Turkish children in EEC nations, 10,000 in Australia and 1.400 in the Middle East."

The number of workers officially employed abroad through Labor and Job Placement Organization channels is 888,290. However, it is estimated that there are more than one-quarter again this number of Turks who are self-employed. Adding this to the above figures, we have more than 2.5 million citizens abroad in 1982.

## Problems

The most important problems of our citizens employed abroad at present are:

1. Rising unemployment.
2. Ever-growing hostility towards foreign workers.
3. Loneliness of Turkish workers without wives and families.
4. Failure to revise the double retirement law (workers want the right to retire without compulsory repatriation).
5. Desire for facilities to bring in goods customs-free.
6. Desire for workers' savings to be directed into productive and guaranteed investments.
7. Need for a special exchange rate for worker remittances.
8. Desire for tax exemption for real estate purchased by workers.
9. Cessation of the visa scandal as soon as possible.
10. Desire for sufficient books and teachers for the education of workers' children.
11. Perceived need to protect workers from extreme leftist groups abroad.
12. Desire for improvement of foreign missions and for officials assigned to them to be helpful rather than hostile to Turkish workers.

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CSO: 4654/376

## HOPE SEEN IN ULUSU, TURK-IS CONTACTS

Istanbul TERCUMAN in Turkish 25 Jun 82 p 13

[Article by Refik Sonmezsoy: "Dialogue Continues"]

[Text] TURK-IS [Turkish Confederation of Labor] leaders and Prime Minister Bulend Ulusu met last Monday for an exchange of views on the worker problems which have been sitting on ice.

The statements made by both sides following these meetings were filled with expressions of good will.

Reports emanating from this conference will be welcomed by the labor sector, which entertains high expectations on neither the minimum wage, nor the Supreme Arbitration Council's [SAC] decisions, nor other worker rights.

As far as can be seen, where there is a will there is a way.

TURK-IS President Mr Sevket Yilmaz retains his hope and good will and said that they would meet again next Monday and try to unravel these knotted and tangled problems.

However, information leaked from the discussions indicates that resolution of the outstanding worker problems will require some time yet. Also, Monopoly workers who considered the wage increase granted by the SAC too low learned that "even though the earlier 4-percent wage increase was too low and the leaders went into action to get it raised to 13 percent, the prime minister had not been informed of this arrangement and, indeed, the government was even opposed to it."

What the minimum wage will be is still up in the air.

TURK-IS is dead set against any formula that would dissolve the minimum wage-severance pay link as it would be tantamount to freezing severance pay.

In our opinion, any formula for placing an upward limit, if indeed it is necessary, on severance pay when this link is broken ought to read: "The severance pay ceiling is not to exceed the highest civil service benefits."

It is difficult to say whether the sides reached a firm agreement on lay-offs, review of jurisdictional disputes and what modifications will be made in the laws on basic worker rights and freedoms.

What we do see is that TURK-IS is sincere in its belief that these problems will be solved through dialogue with the government. That is hopeful.

But there is one thing which must not be forgotten.

And that is the basic element of the current economic policy.

The policy to increase savings through "high interest" and thus reduce consumption, while calculated to halt inflation at 25 percent in 1982, also intends to raise production and keep wages, among cost inputs, as low as possible.

Expecting any realistic rise either in the minimum wage or wage increases in collective agreements is out of the question as long as this policy is in effect. But profits and prices have been decontrolled.

This gives a clear view of the thoughts and intentions as regards workers of Minister of State and Deputy Prime Minister Turgut Ozal, the director of the government's present economic policy.

It is futile to expect the minimum wage to be raised and SAC decisions to go in favor of the worker in spite of Ozal.

Under these circumstances, many people see the latest TURK-IS-Prime Minister Uluu talks as a case of "The mountain labored and gave birth to a mouse."

But in spite of it all, we believe it is never too late. We hold the hope that development, national prosperity and enrichment for all should be and will be possible.

We are waiting for the parties that will meet again early next week to take positive steps toward the many problems awaiting fundamental solutions.

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CSO: 4654/376

## LAND REFORM PLAYING PROMINENT ROLE

## Oztrak Emphasis Priority of Land Reform

Istanbul CUMHURIYET in Turkish 1 May 82 pp 1,11

[Text] Ankara--Minister of State Ilhan Oztrak said, "A land reform law will be able to be developed in the Council of Ministers before the principles of the constitution are set down on paper."

The land and agricultural reform law bill was taken back from the Advisory Assembly by the government in April. At that time, a bill that made changes in the land and agricultural reform preliminary measures law bill was approved in the Advisory Assembly. The bill proposed that "no court cases regarding reinstatement of land that was nationalized be able to be initiated for a 10-year period beginning with the date of nationalization" and that "a statute also be introduced concerning cases that have been started and are being heard."

Minister of State Oztrak, whose views on the subject of the government's retraction of the land and agricultural reform law bill were sought by us, stated:

"There is a possibility that land reform will be able to be undertaken following the drafting of the constitutional principles, but we say that this is only a possibility. This is because the opportunities we possess make it possible to develop a land reform law before the principles of the constitution are set down on paper."

Oztrak pointed out that, since 10 May 1977 when the land and agricultural reform law was annulled by the Constitutional Court, 2,494,503 donems have been rented to farmers in Urfa who possess little or no land. He provided further data.

Special statutes related with land and agricultural reform were introduced in the third 5-year plan as soon as implementation began in Urfa. Investments were designed accordingly. Because the only province in Turkey where the process of registering land with title deeds was completed was Urfa, it was in this province that the necessary investments were begun. A total of

495 million liras was appropriated for nationalization and 14.5 billion liras, for social and economic development.

Necessary measures related with land and agricultural reform were also proposed in the fourth 5-year plan. In 1978, 336,884 donems of land in 176 villages were rented to 1,918 farming families in Urfa Province; in 1979, 394,178 donems in 232 villages to 393 families; in 1980, 763,441 decares in 299 villages to 4,660 families; and in 1981, 1 million decares in 383 villages to 8,911 families.

Reform services in Urfa provided irrigation to 268,500 donems of land. Constructed were 227 kilometers of provincial roads; 1,012 kilometers of village roads; 87 community drinking-water fountains; 6 regional boarding schools; 3 lycees; 39 health clinics; and 89 residences.

Oztrak noted that, on 1 November 1973, Urfa was declared the first land and agricultural reform district. The reason for this, he said, was that "this area contained the greatest amount of state treasury land and, at the same time, land best suited for nationalization."

Oztrak pointed out that, despite annulment of the law, the fourth 5-year plan proposed that "villagers with little or no land would benefit from land that is nationalized in accordance with the law in all regions in which land reform is carried out and, throughout the nation, from land belonging to the state and that land which, having lost its characteristic of being forest land, is taken out of the forestry system in accordance with the law. The land was to be rented to them." He continued:

"Prior to annulment of the law, we gave a portion of the land to farmers on a trial basis. If these 1,175 families completed their probationary periods, they were to become owners of the land. Because the law was annulled, they could not take possession of the land, and they continue to be without hope.

"It would be unfair to say that reform has not begun in Urfa. The state has done what is necessary, but, if we put aside the problems of the state prior to 12 September, we see that we have fallen into the error of not making correct diagnoses and decisions, and we feel pangs of conscience.

"We drafted the land and agricultural reform preliminary measures law bill, not to interfere with the courts, but to prevent citizens from being deceived and wasting time through the initiation of cases in their behalf and a resultant resentment between the two groups of people who wish to obtain land and who would have land taken from them. We drafted the law to prevent social unrest."

#### Council of Ministers Addresses Issue

Istanbul MILLIYET in Turkish 24 Apr 82 p 4

[Text] Ankara--The land and agricultural reform law bill that has been taken back from the Advisory Assembly by the government has a long past. When the

bill that was based on the 1961 Constitution was annulled by the Constitutional Court, aspects that were determined to be included in the application of the law were rewritten to correspond with social and economic conditions of the day. In this work, it was again the law that was annulled that was used as a basis.

The bill redesigned by the government states its purpose. It is "to use the land productively, to obtain maximum economic production from each unit of land, to establish an agricultural structure that will speed up national development, to give land to farmers that have little or no land, and to equip, support, and organize these farmers." The bill also aims to achieve supplementary goals such as "rent control and the regulation of cooperatives, to rejoin land parcels that were broken up and to make use of the labor power of families, to establish model villages, to protect land and water resources, to use agricultural land in farming through amelioration and development of the land, and, when necessary, to regulate the appropriation of this agricultural land for purposes other than farming."

The Council of Ministers will carry out the necessary preliminary preparations prior to implementation of reform, will draft regional development plans, and will complete basic services related to strengthening the infrastructure. Farmers in an area that is proclaimed a reform region will have their names recorded in the farmers' register within a month and will not be able to take possession or ownership of the land until nationalization and distribution procedures are completed.

Land that is nationalized will be able to be rented as well as distributed to farming families with little or no land. This land will also be able to be used for purposes set down in the law or to carry out community housing projects. The bill proposes, as well, that state farms be set up in reform regions for the purpose of supporting reform and includes a statute so that a portion of the land near the state farms will be able to be given to workers employed on these farms. The bill clearly defines the land and the conditions under which land will be able to be nationalized. The bill contains a statute stating that, in general, land that is not worked by the owner will be nationalized, but that several exceptions to this rule will be studied. One-fourth of the value of the land will be paid in advance, and the remaining will be paid in nine equal annual payments.

The bill implies that an order of priority will be used in distributing land, but does not provide a definite figure as to the amount of land to be given persons with little or no land. The bill takes as a principle when establishing the amount of land to be provided the assurance of an agricultural income equivalent to 120,000 liras per year in accordance with the 1980 wholesale goods price index that was published by the Ministry of Trade. At the end of a 5-year trial period, ownership of the land that is distributed as well as of structures and facilities on the land, if there are any, will be gained through registry on a title deed in the name of the person who received the land. During this 5-year period, the land will be rented under a lease and will be worked by the probationer farmer. Under statutes of the law, land that is not worked or that is abandoned and credit made available to the owner will be reclaimed.



The principles set forth, in general, by the bill and the principles for implementation are defined in this manner. However, as the bill began to be discussed in the temporary commission established in the Advisory Assembly, criticisms emerged, and assembly members who are not on the commission also began to voice their objections in speeches in the general council that were not placed on the agenda.

#### Minister of Agriculture's Criticism

Minister of Agriculture and Forestry Sabahattin Ozbek joined into the campaign of criticism against the bill. In an exclusive statement to a newspaper, he clearly stated that he "opposes the bill."

In his speech at the Union of Chambers of Agriculture Ankara Province Congress, Ozbek said, "If the bill passes as is, we will be ruined." Ozbek claimed that not one of the nations that engaged in land reform has been able to develop. He noted, "There are, however, a number of nations that made land reforms and whose agriculture has gone backwards." Ozbek continued:

"If you give a villager 50 donems of land, both he and those in the city will go hungry. I want to tax owners of large land holdings that are not being used or operated, forcing them to either farm their land or sell it. This has not been done. The land and agricultural reform law bill was submitted to the National Security Council 6 or 7 months ago. Why did the council send this important bill to the Advisory Assembly? The reason for this is important, because this bill could have been passed by the council as other important bills have been. The council, however, thought that, by sending the bill to the Advisory Assembly, which is the representative of the people, it would be debated there and then returned to it. However, if the bill were passed in its present form, we would be ruined."

In his speech at the Second Izmir Economic Congress, Minister of Agriculture Ozbek reported that land in Turkey demonstrates an unbalanced situation from the standpoint of distribution of possession and use. He said, "Agricultural operations of every size must attain a healthy structure through agricultural and land reform." In the speech made in Ankara, Ozbek stated, "I would like to tax large land holdings that are not being used, that are not being operated, forcing the owners to either farm the land or sell it. This has not been done." He went on, "Large holdings must be worked in accordance with a rational operating plan. Land that is not used rationally must be taxed further. These holdings, which produce for the market, must be forced in this way to operate in a healthy manner." In his speech at the Second Economic Congress, Ozbek spoke of the need to improve treasury land that is idle and put it into the service of villagers as quickly as possible.

Advisory Assembly Hatay member Zeki Ozkaya, in a speech not included on the agenda, claimed that nothing will be accomplished with this type of land reform. He said that landless villagers cannot be made landowners "by parceling holdings that operate rationally." Ozkaya stated, "The philosophy of the shared values of the nation will be crushed by a command to distribute land by ignoring the sanctity of ownership." He asserted that those who speak

of land reform do not know that at least half the agricultural land is not recorded with title deeds at present.

In response to this speech, Minister of State İlhan Öztrak, who prepared the law bill, noted that the bill was drafted in the form proposed by the 1961 Constitution, but that those in the government dwelt upon several aspects of the bill. Öztrak reported that work was undertaken to reduce the number of articles in the bill in particular. He pointed out that the government was not considering application of a doctrinaire reform that would reduce production and drag everyone into poverty. He said:

#### Respect for Property Rights

"Our goal is to increase agricultural productivity per unit of land, to ensure complete respect for the property of citizens, and to ensure a life on the land for the various people who have fallen into hopeless situations. Let us never forget that we are forced to save the people who, in some places, are without land and who are living like slaves. We are, however, forced to accomplish this, not by enmity toward property, but in a manner appropriate to the principles of social justice. Our government has the understanding to integrate these two elements."

It was later announced that the bill will be discussed separately within the government as well as in the Advisory Assembly Temporary Commission. Prime Minister Bulend Ulusu himself stated that, if the work being conducted by the government is completed, the new aspects would be announced to the public by Minister of State Öztrak. This announcement, however, has not been made. It is repeated at every opportunity that the government's work is continuing, and, in the meantime, discussion of the bill in the Advisory Assembly Temporary Commission was halted indefinitely. It was reported that the commission reached a decision "to continue its debates when the government finishes its work on the issue."

Information as to at which stage the government is in its work on the bill could not be obtained. The Council of Ministers, however, has taken back the land and agricultural reform law bill that had been in the hands of the Advisory Assembly.

#### Impact on Production Assessed

Istanbul CUMHURİYET in Turkish 28 Apr 82 p 2

[Article by Ankara University Faculty of Agriculture Prof Dr Ziya Gokalp Mulayim]

[Text] In recent days, reports of discussions on land reform being held in the Council of Ministers, in the Administrative Assembly, and at chambers of agriculture congresses have been seen frequently in the press. From what we read, the effect of land reform on agricultural productivity appears to be the topic that is most debated. And this is natural. The effect of land reform on production has always been the emphasized point in discussions on land reform held throughout the years in our country.

Two basic opposing views are put forth on this issue.

According to the first view, land reform in Turkey will have a negative effect on agricultural productivity, and agricultural productivity will fall. Large landowners, the Turkish Union of Chambers of Agriculture, whose administration is dominated by them, and those who, in general, oppose implementation of land reform based on the distribution of land in our country have defended this view for years. In recent days, the respected Prof Sabahattin Ozbek, minister of agriculture and forestry, has, as well, joined this viewpoint. In a speech given 9 March 1982 at the Turkish Union of Chambers of Agriculture Ankara Province Congress, he said, "If this law passes, the Turkish farmer will be destroyed." As for the Turkish Union of Chambers of Agriculture chairman, he gave a speech at the Chambers of Agriculture Istanbul Province Congress on 30 March 1982 that was broadcast by the TRT [Turkish Radio and Television Administration], and he, too, voiced the view once again that land reform will reduce agricultural productivity.

A report prepared by the DPT [State Planning Organization] on the land and agricultural reform law and summarized in the 19 March issue of HURRIYET agrees with those who claim that, if the bill becomes law, land reform will lower productivity, stating, "It must not be overlooked that Turkey could enter the rank of nations that import agricultural products in the future."

According to the second view, land reform to be carried out in Turkey will have a positive effect on agricultural productivity and will cause agricultural productivity to increase. Those who want effective land reform to be conducted in our country have defended this second viewpoint for years. In this article, we will give our thoughts on these two views that have been gaining currency again in recent days.

Let us first concentrate on the view that land reform will affect agricultural productivity negatively. Those who defend this opinion, on one hand, point out only that large land holdings will be nationalized by land reform and then divided into small parcels and distributed. On another hand, they assert that large land holdings are operated better from the technical and production standpoint than small land holdings and conclude that land reform that breaks up these large land holdings will reduce agricultural productivity.

Before everything else, this view is based on a restricted and incorrect definition of land reform. This is because land reform is not, as those who defend the first view attempt to demonstrate, merely a distribution of land. Land reform includes, in addition to land distribution, various measures to increase productivity such as operation of cooperatives and the provision of credit, machinery, and technical information so that land that is distributed will be worked in the most productive manner possible and the protection of land parcels of the optimum size and of the integrity of small family operations.

Nor is it true in our country that large land holdings are always operated more productively than the small family farms of the optimum size that are the goal of land reform.

Once again, the large land holdings that will be nationalized and distributed by land reform are not all large operations. A large proportion of these large land holdings are not operated by their owners. They have been broken up into small parcels and have been turned over to partners or to renters.

In the words of respected Minister of State Prof Ilhan Oztrak, "landless villagers live like slaves" in some areas. In these cases, it cannot be said that the nationalization, through land reform, of large land holdings that are operated in the form of small operations by partners or renters and the creation and distribution of operations of the optimum size that will be operated by the families personally will have a negative effect on productivity.

Therefore, it can only be said that the nationalization and distribution of a portion of the large land holdings that are operated by their owners personally and that are over a specific size will have a negative effect on productivity. Here, of course, the land that would be nationalized would be operated more productively than the small farms that would be created on the same land by land reform.

In any case, if it is noted that these operate more productively than a number of small land holdings, small operations that exist in our nation at present, the reason for this is more the political and economic power of the large farmer than the size of the large land holdings. Large farmers benefit to a greater extent than do small farmers from technical and economic aids such as credit, publications, and irrigation that are directed toward agriculture by the state.

The small farming operations of the optimum size that will be created by land reform will not, however, be left to themselves. Thanks to land reform organizations and cooperatives, every sort of technical agricultural need -- machinery, fertilizer, good seed, and credit required for productive farming -- will be distributed. There is absolutely no reason why farming conducted by new landowners on this land should be less productive than that conducted by the former large landowners. This means that the view that perceives land reform as a negative influence on agricultural productivity is not based on solid ground.

Let us now take a look at the second view, the one we personally propound, which states that land reform will have a positive effect on agricultural production.

[1.] Land reform, by eliminating the current imbalance of land distribution in Turkish agriculture, will ensure that land is distributed in a more just manner and in principle to those who work the soil.

[2.] Land reform will result in an increase in investment in agriculture by the state and by those who work the soil.

[3.] Land reform will ensure that sufficient credit reaches the small farmers in our nation.

[4.] Through land reform, the publishing services of the technical agricultural organizations in our country will change emphasis and will be directed directly toward the small producers, who feel a basic need for them.

[5.] Through land reform, the small farmers who own small holdings will not be left to themselves, but will be organized within land reform cooperatives that will be formed. By being spared various technical and economic problems caused by their being small farmers, they will be able to carry out technically sound and productive agriculture through the use of cheap credit, fertilizer, good seed, and machinery. Land reform cooperatives will create the opportunity to process the products of these small farmers at milk, canning, wine, olive oil, and meat-packing factories and to have their products, in general, receive full value on domestic and foreign markets. In conclusion, effective land reform to be carried out in Turkey will not have a negative effect on agricultural production. To the contrary, the economic structure of agriculture, due to the reasons we have listed, will be altered in a positive and contemporary direction.

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CSO: 4654/311

## EFFORTS UNDER WAY TO REVAMP BANKING SYSTEM

Istanbul DUNYA in Turkish 29 Jun 82 p 1

[Text] NEWS CENTER -- With the Kastelli liquidation being worked out in the banking and brokerage sector, the issue of "structural disease" in the banking sector is also coming into play.

Though both public administrators and bank managers admit that the banks are inadequate to fulfill the current conditions of the existing structure of our system and to meet the needs of modern banking, there is "as yet" no clearly defined view on how a solution is to be brought about.

All authorities agree that the banks are facing "difficulties" in both creating new funds and meeting their obligations. Meanwhile, Kastelli's going out of business has raised before the banks the specter of a similar "fate" in the near future. Various views are being presented both in government circles and within the banking system for ways to safeguard the future and existence of the banks.

Foremost among the topics being discussed is "whether to permit" withdrawal from the marketplace of the banks experiencing difficulty in meeting their obligations and creating new funds. While one segment of the government and another group composed of the big banks tend heavily toward letting the small banks go out of business, another group contends that "the system will sustain injury" if small or large banks are allowed to go out of business and envisages instead that troubled banks merge or combine "under umbrellas" of the large, "safe" banks.

Yet another group advocates a new banking system based on "a few strong" banks, hoping in this way to prevent the "interest race" and "cut-throat competition" among banks as a result of interest deregulation. Top-level administrators of a number of banks, however, have a variety of other ideas on the matter. According to some of them: "In striving right now to define measures related to the divided certificates market, while it must be done, it should not lead to rifts and unfair competition among the banks, and any action or developments that could have negative effects on the public should be avoided. The increasing number of banks bearing heavy responsibilities within the system must be able to perform their duties without sustaining damage to their standards and this requires that the system be open to innovation."

Another group of bank administrators, though considering bank mergers or forced mergers "possible," does not hesitate to stress that similar situations which occurred earlier in the United States may lead to monopolization.

Meanwhile, the problem is complicated by the fact that many of the banks in the Turkish banking system are structurally integrated with various holding companies. In other words, should the banks merge, the holding companies, which are also market competitors, would likewise have to merge. Holding company administrators have not yet come up with a clear view on this.

Another aspect of the problem lies in the question of what would happen in the future to the savings which to date have gone into the banks or brokerage houses, nourished by high interest rates. One view on this holds that, after the collapse of the brokerage sector, the capital market should be a function of the banks by means of "securities departments to be established by the banks." Both government circles and bankers unanimously agree in this regard that the banks must definitely be prevented from engaging in the damaging competition with one another of the past.

One negative market expectation is that savings could not be attracted to the banks, but, worse, the savings in the banks would soon be put back into consumption. The banks, under heavy interest and principal burdens, are afraid, first, that depositors will be convinced they cannot get high interest from the banks and then, especially during August and the autumn months, that agricultural income will not come to the banks.

In addition to all this, the possibility that savings may be put into real estate is reviving the hopes of this sector, which has been in a "slump" for more than 2 years. However, it is feared that expenditure in the construction sector, while it is granted to be the "sector that can revive the economy" in that it stimulates both support industries and jobs, would create inflationary pressure and drive the already rising trend in prices even higher. Revival of the capital market by savings through bank channels is envisaged as a way to eliminate this.

All these circumstances weigh on the efforts to "prevent victimization" of the clients of those brokerages going out of business. While the Kastelli incident is being resolved so as to "least reflect" on savings holders, efforts are likewise being concentrated on revision of the banking system to save it from its structural ills.

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CSO: 4654/375

## RECENT ECONOMIC RELATIONS WITH IRAQ OUTLINED

Istanbul DUNYA in Turkish 29 Jun 82 p 8

[Text] NEWS CENTER -- Hatem A. Al-Rashid, undersecretary of the Iraqi Ministry of Trade and president of the Iraqi Federation of Chambers of Commerce, is heading a 10-member Iraqi trade delegation which visited the Istanbul Chamber of Commerce yesterday and talked with businessmen and officials. Nuh Kusculu, chairman of the Istanbul Chamber of Commerce board of directors, spoke at the meeting, drawing attention to the positive contribution of visits of this kind to the furtherance of relations between the two countries, and said:

"Our trade figures with Iraq exceed \$500 million. But this is equal to around 3.5 percent of Iraq's imports from other countries, in view of its import capacity of \$15 billion-\$16 billion. These figures must be increased, bearing in mind also religious and geographical conditions. Moreover, as a brother, neighbor and friend, we believe we will have a role to play in Iraq's development efforts."

Kusculu stressed that until 2 years ago there had been no thought of external orientation, but it was unavoidable today with the economic program now in effect and, as regards exports, it was our intention to develop relations first with the neighboring nations. He said that in order to put our trade and industrial relations with Iraq on a higher plane, it was necessary to develop railroads directly from Turkey to Iraq, that the time had come for joint industrial and tourism investments, that Turkey and Iraq should exchange technological information and that Iraqi engineers and technicians should be able to get training in Turkey. Kusculu continued:

"As for products in certain branches of industry that Iraq is able to get from other countries at the moment, we have to give them better ones. Indeed, it is a very positive development that the Iraqi government has made it compulsory to obtain certain products from Turkey. Tourist investments to enable our Iraqi brothers and citizens to visit our country should be made both jointly with us and by them alone. Moreover, it would be very useful for both countries to develop a more convenient visa system. Such a visa is needed for all Islamic countries as well. On the other hand, Turkey has a worker potential tested and well liked in the West. For this reason, I would ask that the Iraqis take advantage of Turkish workers."

Speaking next, Iraqi delegation chairman Al-Rashid said that the Islamic nations as well as the two brother nations had been somnolent to date and for this reason, other nations had moved ahead, that Iraq's doors were open to the entire world, but it attributed particular importance to Third World nations and its brother nation Turkey. He continued:



"Iraq's openness to everyone has brought Iraq a climate of fierce competition in prices and quality of goods. The Iraqi government has included Turkey in its preferred plan, but Turkey must bear in mind the matters I have just spoken of. Cooperation and an honest and direct relationship in all dealings are our first priority. I do not think these conditions will be difficult for Turkish businessmen who see it as their duty to be open to the outside and who know the rules."

Noting that the two nations have not yet had the opportunity to get sufficiently acquainted, the chairman of the visiting delegation continued as follows:

"Relations between these two old friends and brother nations are still conducted through the mediation of a third country. For this reason, communications links should be established, the transportation problem must be solved, the unwilling attitude of border officials must be resolved and the two nations must form industrial leadership."

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CSO: 4654/375

## STUDY SHOWS SPD LOSING VOTERS TO FDP, CDU

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 Aug 82 p 9

[Article by Dr Hans Ruehle: "SPD Shrinking Process or: Trend Reversal Is Upon Us"]

[Text] Voter migration among the various political parties has been on the increase in recent years. The Social Science Research Institute of the Konrad Adenauer Endowment has just concluded a study based on the so-called panel interrogation method. This means that a representative sample—selected along demoscopic lines—is queried repeatedly at certain intervals. In the course of the present study, 6,000 members of the sample were interviewed in the first poll conducted in September 1980 and another almost 4,000 in a second poll in the spring of 1982. This is an unusually large sample; normally, only 1,000 to 2,000 persons are polled. The author of the following article, Dr Hans Ruehle, heads the research institute of the Adenauer Endowment.

Our opinion researchers have rarely been as unanimous as now: the reversal of the trend is upon us. Looking at the average party strengths as published by the various opinion research organizations over the past few months, the following picture emerges: CDU/CSU, 50 percent; SPD, 32 percent; FDP, 8-10 percent; Greens, 6-8 percent. The poll with which we are dealing here brought out similar figures: CDU/CSU, 50 percent; SPD, 32 percent; FDP, 10 percent; Greens and others, 8 percent. One cannot exclude—and some of the more recent polls seem to indicate it—that the FDP has now begun to lose ground nationally as well in the wake of its coalition statements in Hesse and the simultaneous continuation of the Born coalition. But these vague, initial indices do not permit us to make any firm statements as to characteristic change.

Far more interesting than the well-known absolute figures on party strength are the data with regard to exchange relationships that have taken place among the political parties since September 1980. As Table 1 shows, 80 percent of those who cast their vote for the CDU/CSU in the 1980 Bundestag election favor the CDU/CSU in 1982 as well. But only a little more than half (58 percent) of the 1980 SPD voters are still committed to that party today. These SPD losses represent a slump that has no equal in German post-war history. The fact that those who are turning their back on the SPD are not abstaining but switching to the enemy side instead shows how profound

the dissatisfaction is that made them do it. Thus, 15 percent of the 1980 SPD voters would cast their ballot for the CDU/CSU today, with 9 percent voting for the FDP and 7 percent for the Greens. If these figures are related to a potential present-day election result, the share of those who switched from the SPD to the CDU amounts to about 6 percent.

As for the FDP, it was unable once again to hold on to even half (only 41 percent) of its 1980 voters. It lost one-quarter of them to the CDU and 17 percent to the SPD. The FDP was able to make up for these losses, however, by gaining SPD voters. Thus, the 1982 FDP voter potential corresponds to that of 1980 in absolute terms but is composed in larger part of disgruntled SPD voters than of permanent FDP adherents. The dramatic upsurge of the Greens—who enlarged their voter potential from 2 to 7 percent since 1980—is primarily attributable to gains at the expense of the SPD. Two-thirds (62 percent) of those who voted for the Greens in 1980 have stayed with the party; but since the overall potential was quite small at the time, it is former SPD voters who now make up the predominant share of the Green vote.

The reaction to the request to mark their own political outlook on a scale reading "left, center, right" gives a first indication that party switching is not conditioned by individual decisions but rather by changes of basic orientation—and thus to be taken somewhat more seriously. For one thing, the number of those who call themselves "left" and "center" has declined by 2 and 4 percent respectively since 1980. The number of those who identify with the "right" has increased by almost the same amount (from 34 percent to 39 percent) during the same period. On the one hand, this is evidence of the direct shift from the SPD to the CDU and on the other hand of the fact that identification with the new party is already quite far-reaching and profound.

But there is another interesting facet to this. Those who switched from the SPD to the Greens call themselves distinctly farther "left" (69 percent) than the permanent SPD voters do (56 percent). This makes it clear that the switch from the SPD to the Greens made by those who have gone this route is viewed as a move to the left and not as a move to a political party of an entirely new type—a party which has allegedly left all classical political labels behind.

The unusually high losses of the SPD bring up the question as to whether there are any focal points in the erosion among former SPD adherents. The analyses of the Land elections of the past few months have provided us with some initial clues. The analysts found that it was above all the very young and the employees who were turning their back on the SPD. Although the data submitted here do corroborate these findings, we should not discount the fact that there is a high degree of uniformity to the SPD's losses as to age and sex. Quantitatively, only the losses among young people are different; in fact, at almost 20 percent they are nearly twice as high as the average. It is worth noting that age is a factor which helps not only the Greens but also the CDU/CSU. In the 25 to 29 age group, for example, SPD voters switched to the Greens and the CDU/CSU in equal parts.

Of particular interest for voter migration within professional groups are the results among the workers who make up the classical SPD voting stock. The data show that the SPD lost 17 percent of its 1980 voters among the unskilled and skilled labor force to the CDU/CSU. If these movements are weighted in relation to the two original potentials, one concludes that the SPD and the CDU/CSU share of the working class vote is almost equal today.

Table 2 shows how political weights within the working class have shifted since 1980. If one tries to ascertain the reasons for extremely frequent party switches from the SPD to the CDU among a large segment of the working class—a trend which is continuing, according to the most recent findings—one quickly hits upon an economic motive which is at least partly responsible for it (Tables 3 and 4).

The tables show that as against 1980 the workers who have switched consider the economic situation dramatically worse. They also view the economic future in bleaker terms than any other professional group. Still, it would be too simple to attribute the reasons for so many workers making the switch to a change in their evaluation of the economic situation alone. Table 5 shows that the government is experiencing a severe crisis of confidence as a result of its almost total loss of economic competency.

It is also worth noting the different answers given by this group to the question dealing with the scope of government social services considered necessary. 76 percent of those workers who switched from the SPD to the CDU between 1980 and 1982 now say that existing social services are sufficient. In 1980, only 38 percent of these same people—who were SPD voters then—felt this way. It appears that these party switchers have realized that the welfare state has reached the end of the line by now. On the other hand, even those who have switched from the SPD to the Greens are more aware of the fact that the possibilities open to government are limited; but those who feel that social services are sufficient are still in the minority (46 percent). Thus, while economic common sense is beginning to have an impact on the political outlook of the working class, the Greens continue to adhere to a denial of reality—in the economic field as in any other.

A look at the political tasks considered particularly urgent at this time indicates that the economic motive tends to predominate in all likelihood but that it is not the exclusive reason why workers switch parties. In addition to high and continuously rising percentage responses to all economic questions—such as unemployment, the federal debt or price stability—there is one other issue to which exceptional importance is attached: the strengthening of the alliance with America. Since we are speaking here about those who have switched from the SPD to the CDU, we may conclude without stretching the point that the party they voted for earlier (the SPD) makes life rather hard for them on this issue. But that sheds a new light on the workers who switched from the SPD to the CDU. They are concerned about economic well-being and freedom and there is a political dimension to it which goes beyond short-term, superficial re-orientations.

Nonetheless, it would be wrong to assume that these will be permanent re-orientations. Although it is suprising how many of those who switched from the SPD to the CDU/CSU already have publicly declared for the new party, one-third of the "new converts" to the CDU/CSU must still be considered fringe voters.

And while the CDU/CSU will have to try not to disappoint the new voters, the SPD will have to continue worrying. The fact is that despite the widely held view that the SPD with its 30 percent of the vote has by now shrunk down to its own hard core and is thus impervious to further erosion, those who remain with the SPD can by no means be considered stable. If the "hard core" of a political party consists of those who will not only cast their vote for that party with certainty at the next election but are also in agreement with all important positions presently held by the party, there is a "hard core" SPD today that amounts to just 10 percent of the voters. In 1980, that "hard core" was twice as big. Of the current about 30 percent SPD voters about 20 percent—in other words two-thirds—are at least badly shaken even if they do not necessarily fall into the category of "fringe voters." In the CDU/CSU's case, things are quite different. It managed to hold on to its "hard core" of 20 percent and was able at the same time to double the number of its fringe voters. We might add in this connection that agreement in principle is not identical with belonging to the "hard core."

Thus, the SPD has not only lost almost 10 percent of its 1980 voters. As for the remainder, it has undergone a destabilization process which indicates that the shrinkage of German social democracy has not necessarily run its course. Some people inside the SPD appear to be aware of this, even if they have not had the corresponding data presented to them so far. But the chances at present to stop the drift of former SPD voters to the CDU/CSU and the Greens are slight. Indeed, it would seem as though the historic alliance entered into by socialists and social democrats—which carried the SPD over the 40-percent mark—were unraveling under the pressure of economic problems and a "post-materialist utopianism."

Table 1

Voter Migration 1980-1982

Voters who cast their ballot for the CDU/CSU, SPD, FDP or Greens in 1980 declared in 1982 in favor of:

1980 voters	CDU/CSU	SPD	FDP	Greens
		in percent		
CDU/CSU	81	6	3	3
SPD	15	58	9	7
FDP	25	17	41	9
Greens	12	16	1	62

Table 2

## Party Preferences of the Working Class

	CDU/CSU	SPD in percent	FDP	Others
1980	37	58	4	1
1982	44	46	6	4

Table 3

## Workers who switched from the SPD to the CDU/CSU evaluate the economic situation:

	very good/good in percent	50/50 in percent	rather poor
1980	58	38	4
1982	5	35	60

Table 4

Workers who switched from SPD to CDU/CSU evaluate future economic situation:  
in percent

	better	same	worse
1980	12	49	31*
1982	7	40	51*

\* remainder up to 100 percent: undecided

Table 5

## Workers who switched from SPD to CDU/CSU expressed:

	confidence in percent	no confidence
in government 1980	76	6
1982	33	49
in opposition 1980	30	43
1982	53	20

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CSO: 3103/626

## STRAUSS ON SPD, GREEN PARTY, CDU PROSPECTS

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 16 Jul 82 p 3

[Interview with Franz Josef Strauss, minister-president of Bavaria, by Alois Rummel: "Today the True Liberal Is Conservative"; date and place not specified]

[Excerpt] [Question] Herr Strauss, a word about current political matters, the fiscal policy of the Federal Government. These discussions about the 1983 budget did not result in a split, a collapse of the coalition. Can you describe our domestic policy situation following these budget discussions?

[Answer] Our domestic policy situation is severely strained. The atmosphere in Bonn is paralyzing. Gerd Bucerius, an important German publisher who is very close to Helmut Schmidt, had good reasons when he advised Schmidt a little while ago that it was time to resign to remove the unbearably oppressive conditions in the political atmosphere, and he told him that if he did that the air would finally clear up. The confidence of the coalition parties in each other, within the coalition and between the coalition parties can only be compared to the relationships within a family where each member sits down at the dinner table with a revolver. Nobody trusts the other one any longer, but Hans-Dietrich Genscher missed his hour of opportunity. Nobody takes him seriously any longer.

It is not only patchwork but it is conscious self-delusion, no longer deception of the public but, above all, self-deception. The coalition partners simply do not want to realize the seriousness of the situation, and the FDP does not even notice any longer that its constant efforts, its strong statements and threatening gestures induced the SPD a long time ago to consider throwing the FDP--as soon as possible--overboard and to deal more and more, step by step, with the fourth party, the GAL, the "Green" Alternatives.

[Question] Herr Strauss, I will come back to the relationship between the SPD and the "Greens" shortly. From your perspective, what are the most important things to be considered at this moment?

[Answer] At issue are two big areas. One area is the restoration of the productivity of our economy, the consolidation of public financing and the preservation of a financially sound social security net: In other words, problems that are intertwined and constitute one problem area because of this interdependency. The second area is the preservation of peace and freedom, two concepts which belong together and cannot be separated from each other as ideas or in political practice.

Now it seems, for instance, that even the resignation of U.S. Secretary of State Alexander Haig is a consequence of Helmut Schmidt's hectic inconsistency and unreliability. Reagan would certainly not have imposed an embargo on the U.S. share of the natural-gas pipeline deal if the Europeans had been more cooperative in Versailles and agreed to use more restraint with respect to future credit agreements with the Soviet Union. But a few days later even this vague promise was brushed aside by Helmut Schmidt in his arrogant and verbose manner, when he made the remark that it was of no concern to the FRG and consequently it could not adhere to it. Apparently this incident cost Haig a decisive measure of credibility in Reagan's eyes.

[Question] I am now referring to what you said before concerning the topic of parties and domestic policy. But at one time you yourself were an intense champion of founding a fourth party, and you were using the formula: "Whoever does not have a coalition partner should create one." Now we evidently have a fourth party, the Alternative "Greens." The Social Democrats are now announcing: If necessary, we will work with the "Greens." In your opinion, does that provide a domestic policy platform, on the basis of which one can govern?

[Answer] Now a fourth party has come into existence. How stable and permanent it will be, cannot be predicted at this time. Of course, we had a different party in mind--a fourth party which together with the CDU would encompass the entire spectrum from left of center to the democratic Right. Unfortunately there was not enough mental flexibility in the Union and it lacked political determination to act and realize this concept. I am not going to come back to it. It does not make any sense now to look back at the past, the future is what counts. And with this in mind, a very dangerous and --unless it is stopped-- disastrous political development is about to get started. The SPD is already split and unstable. There is a conservative segment that is at least receptive to a policy of common sense, a "leftwing progressive" segment which seems to be out of its mind, in addition there is a protest party which is against everything that signifies modern technology, real security. If the SPD is now getting together with a protest party and if the survival of the SPD as a party in power (and it wants to stay in power at any price without regard for the state and the people) is going to depend at any given time on the consent of this party, the whole thing will lead to a political confrontation in the FRG which will be much more extensive than anything we have experienced to date. I am intentionally saying: if. It will lead to a polarization, an SPD which will be drifting to the Left, because it believes that it will be a way of keeping or taking away voters from the protest party, an FDP which will be ground into nothing between the millstones and a CDU/CSU which will then have to be aware of the seriousness of the situation and the magnitude of its historic responsibility.

[Question] But, after all, the established parties are in part responsible for the fact that the so-called "Greens" and Alternatives are in existence right now. Apparently the established parties--including yours--were and are not in a position to present answers to certain questions of the present time. We have here a totally new spiritual, intellectual and political challenge and every party will have to respond to it.



[Answer] The formulation of the question is absolutely wrong. The question itself already contains the complete inaccuracy. May I pose the counterquestion: For which question of the present time do we not have an answer? I am ready to prove the opposite or the absurdity of your question with concrete examples.

[Question] Apparently the answer by the parties is not understood by the general public, but that is what is important to me. In other words: Certain parties, possibly also yours, are not in a position to present their basic mental positions in such a manner that they are understood.

[Answer] Are you aware of the fact that your question is intellectually unfair and that what you are saying is an outright lie? During the same period while the fourth party was in the process of becoming established and getting stronger, the CDU registered gains. You cannot be serious when you say that you expect a political party to have ideas, value judgments and goals that are shared by the voters 100 percent. But when the CDU/CSU increased its voter acceptance from between 44.5 and 48.5 percent to a current level of more than 50 percent--unfortunately our election law is not the same as the English election law (according to the English law we would right now have a mandate in the German Bundestag of more than 70 or 80 percent)--in other words, if a party develops in this manner, it certainly means that it is credible.

[Question] But then the Union will have to be questioned simultaneously about its political alternatives.

[Answer] Wherever the Union suffered losses, the reasons are sometimes based on a profile which is not clearly recognizable and an occasional lack of clarity with respect to questions and answers. But as far as the CSU is concerned, I have to reject these implications emphatically. For 20 years we have always had between 55 and 60 percent, sometimes even more. With that in mind, nobody can say that the emergence of the "Greens" or the fourth party is a consequence of the failure of the established parties.

And who is to blame? At fault are those individuals who have duplicate answers to all crucial questions about the future of our state and our society: yes and no. Yes and no to nuclear energy; yes and no to NATO; yes and no the Federal Armed Forces; yes and no to a defense of nuclear deterrents. These double-tongued prophets are the ones who caused the confusion among the youth. But certainly not the CDU/CSU. The terrible thing about the current time is the ambiguity of statements, because nobody has any courage left to call things what they are and to hit the nail on the head.

[Question] Herr Strauss, I would like to comment on that. There is a general, widespread conviction, based on the desolate condition of the coalition in Bonn: Democracy and market economy would no longer be able to overcome the problems of this time. What is your reply to that?

[Answer] Those are the thoughts of political Beatles who evidently reverted to the day of their puperty. The basic precepts of our policies--the social market economy is one of the most important ones--were responsible for the changes that have occurred within a few years marked by extraordinary disorientation the credit does not go to those who want to reform the world and proclaim

utopia and to socialist prophets. Today our society lives in considerably better circumstances, is much more demanding, has much greater expectations and, in part, has also become spoiled and lazy, and its fringe groups are beginning to act as if they have to take pity on the nation. At this time I have to call your attention to a particular circumstance. At one time the Social Democrats believed in science and technology because of their materialistic approach; but now they have turned into enemies of science and technology. But one cannot say yes and no to technology at the same time.

[Question] Herr Minister-President, two final questions: First: What is going to happen in Bonn? Second: Under what circumstances would Franz Josef Strauss be willing to assume a new responsibility in Bonn in a different political climate?

[Answer] What is going to happen in Bonn, is a question which could best be answered by consulting a fortune-teller or a reader of coffee grounds, like well-to-do people in antiquity who asked Pythia or the less well-to-do who consulted a priest, asking him to conduct a liver show. When I think of Bonn, I do not know whether I should cry, or laugh or yawn. In the meantime I have decided in favor of yawning, because news from Bonn are such that people's inner ties with the parliamentary democracy are as it were exorcised. Now Herr Genscher has added another half a dozen buttons on his vest, and the guessing game can continue for a few months or perhaps even years, "Will he come, not come, come, not come?" The whole thing has become a sick, miserable, cheap performance.

[Question] And Franz Josef Strauss? Under what circumstances would you be willing to assume new responsibilities in Bonn?

[Answer] To date I have not seen any indications why I have to consider the question.

[Question] In other words, your answer is also like an oracle. Except I have to take you at your word. A man with this kind of political involvement cannot behave as if Bonn could no longer use him.

[Answer] With that opinion you are in good company.

[Question] What is going to happen in the CDU and in the CSU with respect to the chancellor candidate? Has the matter been settled, according to which Helmut Kohl is to be the candidate and the chancellor if the coalition collapses right now?

[Answer] If the CDU/CSU is to take over the government and no new elections have taken place, the faction will select the chancellor candidate and the probability is bordering on certainty that it will select its chairman. If he fulfills his tasks convincingly until the time of the elections, I see no reason why a change should be made at that time. And if the chancellor candidate is to be selected in connection with new elections, well, those people who are suggesting a different solution or have another way of arriving at a solution should put their cards on the table. But in my opinion, right now is a very inappropriate time to discuss personalities.

## CHANCES OF KOHL'S RIVALS FOR CDU CHANCELLOR CANDIDATE IN 1984

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 26 Jul 82 p 3

[Article by Karl Feldmeyer: "A Union Chancellor Candidate Needs Strauss' Approval"]

[Text] Bonn, 25 Jul--The time when the Union attracted attention with its internal quarrels was 3 years ago. Today the decline of the coalition dominates domestic policy discussions. The calm which is spreading within the Union is the result of self-imposed restraint. This applies particularly to the question that has become a permanent topic for the Union, who is to be the Union's chancellor candidate. On the day following the Bundestag election of 5 October 1980 the CDU presidium decided that the discussion should be postponed until after the Landtag election in Schleswig-Holstein because an answer was not needed until that time; subsequently, based on the developments and the chances of all interested persons, there will still be enough time before the next Bundestag election to make a decision. At that time the presidium felt that the timing would be appropriate and fair, because the politicians who are to be considered in addition to Kohl, Albrecht and Stoltenberg, should first get their own Landtag elections out of the way to be able to acknowledge publicly their own political FRG interests. On the other hand, on the basis of Landtag election results as well as Kohl's performance, the party will be able to decide which one of the three would have the best chance of being successful.

The ensuing lull in the discussion has recently been interrupted several times, publicly as well as internally. And it seems doubtful that the CDU will maintain its self-imposed obligation to remain silent on this topic until 1983. Impulses for premature discussions do not only originate with top officials of the CSU or CDU. Comments and denials, rumors and explanations are surfacing, and of late they are again and again related to the persons of the northern German CDU. The reason is not only that politicians like Stoltenberg and Albrecht are considered possible chancellor candidates and the fact that they see themselves as such, but probably it also has something to do with the fact that those CDU members who did not approve of the silence agreement to give Kohl a second chance, now are faced with a development which seems to be a result which they consider undesirable.

On one hand, this development is a result of the constant crisis of the coalition and its simultaneously obstinate clinging to a government power which favors the continuation of the coalition until 1984. On the other hand, it is marked by a durable cooperation between Kohl and Strauss--a surprise to many--and the

response which the leader of the opposition gets within his own ranks: To be sure, he does not arouse much enthusiasm, but he is noncontroversial and respected. The same applies to his activities as party chairman. All these factors seem to make Kohl's CDU nomination as chancellor candidate for the next Bundestag an almost foregone conclusion, unless something unforeseen happens. As a consequence, it means that since the presidium decision of October 1980, the chances of becoming the chancellor candidate have singularly improved in favor of Kohl and decreased for his potential competitors accordingly.

Those who are affected, cannot be indifferent to this situation. It is against this background that reports will have to be interpreted, according to which leading politicians of the northern German CDU, like Stoltenberg and Albrecht, Berlin's Acting Mayor Von Weizsaecker and Kiep, the leading man of the CDU in Hamburg, are supposed to have agreed to thwart another Kohl candidacy. It is the nature of things that reports of this kind are not officially confirmed. Nevertheless, there is no doubt that there are--legitimate--competitive claims to the candidacy and efforts to obtain it.

Thus, the question is, what are the chances of success for efforts of nominating a CDU politician other than Kohl. To become the CDU chancellor candidate one needs two things: on one hand, the support of the CDU; on the other hand, the support of the CSU. The question, who is considered the prime candidate of the CDU, can be clarified most reliably by a Federal party congress. This possibility is particularly applicable when the chairman wants it, because he can expect a clear majority for himself from the vote of the party congress. And in this respect there is practically no doubt about the outcome, because Kohl has a firm footing and he is popular among the delegates, and, as a matter of fact, it is independent of how he fares in voting situations in the presidium or in the executive committee. A majority for Kohl would be guaranteed particularly if--for instance, at the time of nomination for re-election as party chairman--he could say that he was combining it with his being recognized as a chancellor candidate and that this candidacy was being supported by the CSU.

#### 'Gratitude' as a Questionable Viewpoint

Because the second crucial factor of the chancellor candidacy for 1984 is the position of the CSU. To date it has not yet committed itself on this issue. The CSU--essentially, in this matter it means their Chairman Strauss. Two years ago, Strauss gladly accepted Stoltenberg as first deputy for his government team. For that reason it would not only be understandable from the viewpoint of "gratitude"--questionable in politics--if Strauss would throw his support behind a Stoltenberg candidacy. Furthermore, the political profile of the northern German CDU politician does not present a compelling reason to deny him the candidacy.

Nevertheless, both aspects can in like manner be cited for Strauss' support of Kohl, because Kohl supported Strauss with exemplary loyalty and prudence--after Strauss obtained the chancellor candidacy over Kohl's opposition. After the election, however, Kohl was instrumental in preventing CDU criticism of the CSU chairman because of his defeat. Against the resistance of his own party, programmatically Kohl maintained the continuity and along with it the unity of

the CDU/CSU. In other words, until this day Strauss' election campaign platform is the binding basis for the work of the opposition. Consequently there is no clear preference for Kohl or for Stoltenberg. The decision of the CSU chairman on who is to be the chancellor candidate will thus depend on other considerations. One obvious question is, whose candidacy will elicit the most unanimous support and avoid as much as possible strife within the party. Of course, it is also important to consider which candidate has the best chance of being elected.

Finally, the question remains whether the CSU chairman--if the Union should win the election in 1984--wants to return one more time to Federal politics. If Strauss should have this intention it would be essential for him to decide with whom he would be able to cooperate best. There is absolutely no way that Strauss will publicly comment on all these questions, not to mention, answer them. But one can be sure that he is asking himself these questions. His political activities and the will to shape things, something that he demonstrated over a 30-year period, leads to the conclusion that Strauss would want to assume a responsible position and participate in planning the change of course which would have to be considered by a government under Union leadership. Notwithstanding past controversies--there are many reasons to believe that the personalities of Kohl and Strauss complement each other better than would be the case if other politicians were considered. The remark that has been attributed to Strauss, saying that he did not care who was chancellor under him, may be witty or foolish. But it is a fact that the active political will of a Minister of Finance Strauss or even a Minister of Foreign Affairs Strauss would be more compatible with a style of government that can be expected from a Chancellor Kohl than with a style of a man who feels a need to determine everything himself, including the small details.

All these factors seem to support rather than oppose Kohl's chances to become a chancellor candidate, perhaps it will even come about without a repetition of the unnerving destructive infighting that was experienced by the Union during the last legislative period. At the present time, the CDU has become so sensitive to public disputes among its leading politicians that many consider it already a personal asset if arguments can be avoided. Whoever is even suspected of willfully starting a controversy is in danger of being considered guilty by a large segment of the party. In general, the road to the public has already been blocked for the challengers of Kohl who, as the leader of the Bundestag opposition and consequently the "born" chancellor candidate until 1984 and also as the CDU chairman, in the opinion of many people seems to be the obvious chancellor candidate for the next Bundestag election.

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CSO: 3103/606

## CP CHAIRMAN KAJANOJA URGES MORE REVOLUTIONARY LINE

Helsinki HELSINGIN SANOMAT in Finnish 17 Jul 82 p 2

[Text] The party's new chairman, Labor Minister Jouko Kajanoja, is demanding that revolution be raised to a place of honor in Finnish Communist policy. In his opinion, revolution has been lying in the Communist chest of drawers as a festive decoration for too long now.

Speaking in Oulu, Kajanoja questioned the old devices for exerting influence: "We need a radical, thoroughgoing change of direction in terms of the country's and the world situation. And neither an 8 nor an 80-point election platform, nor the chaff and grain from the budget threshing house will suffice.

"In the way Marx did, we have to raise that real buddy, that old mole that digs tunnels that lead to the future under the surface of the society, revolution, to a place of honor brighter than the one it now occupies in our policy. We have been too afraid of frightening our supporters (or our enemies!) with it. For too long we have hidden it in a chest of drawers as a festive decoration like the Social Democrats have hidden the skeleton of socialism in the clothes closet."

According to Kajanoja, the Communists have stuck too close to a reform policy, been afraid a revolutionary profile would frighten people while lapsing into banal and implausible phrases.

In Kajanoja's opinion, however, the country needs a revolution and the Finnish Communist Party a revolutionary attitude. "In conjunction with reform of the party platform, the development of an extensive and attractive ideological debate is coming to be a key issue."

According to Kajanoja, the road that leads to revolution is a struggle for progressive development in all walks of life. In this struggle revolutionary awareness is evolving and political alienation is disappearing, Kajanoja feels.

"Broad social reforms cannot succeed without the whole society's controlling democratic supervision, the establishment of a new state."

## Focal Points at Jobsites

A state does not appear out of nowhere, Kajanoja reminded us, and named worker self-management and self-organization as the ingredients of a new state.

In Kajanoja's opinion, the weakening of support for the Communists makes it quite indispensable for them to shift the center of gravity in politics away from Parliament and the government.

"The proposals made at our party's 19th congress regarding the encouragement of worker self-management, democratic supervision and a new kind of democracy on the job and in residential areas point in this direction. In them there is concern for the creation of focal points for the exercise of power and increased support for self-government as timely political issues."

11466

CSO: 3107/151

## PAPER COMMENTS ON REMARKS BY FORMER SKDL CHIEF ALENIOUS

Helsinki HELSINGIN SANOMAT in Finnish 18 Jul 82 p 2

[Editorial: "A Socialist's Appraisal of the Situation"]

[Text] At the same time the cease-fire obtained due to the summer vacation prevails over the Finnish Communist Party's internal policy lines, there is nothing to prevent the Socialist camp of the SKDL [Finnish People's Democratic League] from developing its own pattern of thought. At least Socialist leader Ele Alenius' views, on the basis of an interview he recently granted the newspaper FOLKTTIDNINGEN NY TID, clearly appear to point in this direction.

In the background there are two problems: Human beings do not seem to be in control of a highly evolved technology and a huge production capacity. Capitalism and socialism have not been able to create enough of a synthesis of balances in the relationship between the individual and society.

Socialism has made the mistake of pushing the individual with the pressure of too much class politics and party thinking. When people were in problems up to their ears, the individual readily identified with a class. But when people have basic security, their hopes for the future assume more individualistic forms. According to Alenius, it is precisely this that is forcing the Socialists to reanalyze the situation.

The progressive movements are, on the other hand, prisoners of the past. They are tied to the old way of thinking and an income distribution policy, while they should at the same time be looking beyond today and be capable of setting themselves new goals that are better than the prevailing nonsocialist judgments.

The existing international propaganda war, which began during the days of the cold war and easily buries new intellectual breakthroughs, hampers this sort of social analysis in the same way. Alenius said that not everyone has enough freedom to indulge in ideological reform.

Alenius' thinking also sheds light on Socialist reaction to the Communists, who are split into two factions. The Socialists want to be an ideological rather than political movement within the SKDL [Finnish People's Democratic League]. They want to establish cooperation, particularly with the broad-minded majority-faction Communists. The minority faction's dogmatic line of thinking is, quite the contrary, altogether foreign to them.



The Socialists are seeking a solution through tolerance: "...if a person is reasonably sure of himself, he can relate to others in an understanding way and show tolerance. If he is uncertain, he encloses himself in a coat of armor and then his chances of influencing others also diminish."

This is exactly the case with the Socialists, who want to analyze the basic difference between the hitherto industrial society and the now-evolving technological society. All the parties are certainly concerned with this issue. If the analysis is sufficiently objective and honest, the final results should be very similar. Only the conclusions and the ways of dealing with it chosen on the basis of the latter will differ from one another, but their room for maneuvering has constantly narrowed down as well.

At least in public, the analysis of the society's alternatives for the future has depended predominantly on minority-faction thinkers. The leaders of the bigger nonsocialist parties do not tax their listeners with this sort of profound deliberation.

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CSO: 3107/151

## NINE MONTHS OF PAPANDREOU ADMINISTRATION EVALUATED

Paris LE MONDE in French 2 Jul 82 pp 1, 6

[Article by Bernard Brigouleix and Marc Marceau: "Nine Months of Socialist Government in Greece"]

[Text] Nine months after a surprisingly broad electoral victory, M Andreas Papandreou, Greek prime minister, is preparing to carry out a far-reaching reorganization of his government. What he has to do is to take into account the initial lessons of this experience. But before the appraisal of his action can be made, on the occasion of the first anniversary of the coming to power of the PASOK (Panhellenic Greek Socialist Party), he also intends to correct a "public image" which has sometimes suffered from the immoderate language of some of his supporters. It is true that in several important areas, particularly in the field of foreign policy, M Papandreou has remained aloof from the commitments set forth or suggested by his party during a particularly acrimonious electoral campaign.

Athens--A rightist opposition bitterly reproaches the government for not carrying out those electoral promises which not long before the former represented as so many serious threats to the future of the country. A socialist majority, as proof of its responsible administration and its desire for national unity, emphasizes the great wisdom with which it does not apply all its platform. Such is M Papandreou's paradoxical situation three-fourths of the way through his first year of government. And in the background there is a debate which should reach its climax just on the first anniversary of his victory of last 18 October, and whose double theme obviously recalls something to the French visitor: "Where is the catastrophe you predicted to us if we won"? "Where is the recovery you promised us in case you won"?

For all that it would be wrong--and in any case premature--to assert that the PASOK socialists have not honored and do not intend to honor any of their promises. Thanks to a sustained legislative effort, a certain number of texts were prepared, examined, and adopted which began to modernize the juridical framework for personal conduct and labor relations. There has been an obvious determination to liberalize, whether it involves divorce, women's rights, age

of majority, relations with the government and the police, trade union legislation, or education; and perhaps there has been an even greater determination to set the clocks to Western democratic time. However, these were areas--particularly the field of personal conduct--where Greece had an uphill struggle, as a result of the influence of the Orthodox Church and of Mediterranean traditions. Catching up in this field was a part of the Panhellenic Socialist Party program: from this point of view the distance from words to actions must have been very short.

The record is more qualified in the social field, but it remains favorable. There is little doubt about the determination to abolish certain injustices and to restore to dignity the cast-offs of the emergent prosperity. But it is often more difficult, or at any rate it takes longer, to change the laws of the economy than to change one mere law. "We have taken French-style measures under conditions that were much more difficult, however," explained a ministry director and member of the PASOK executive committee. "We reduced the length of the workweek, lowered the retirement age, raised salaries, and instituted a cost-of-living index despite the risks that this represented." Obviously, management's reaction to all these measures was not enthusiastic, but this high official commented further, and with objectivity, that "On the whole, plant managers admitted they had to adjust to the times and that certain social inequalities had reached the limits of tolerance." "With the exception of shipowners," they say on the left, and this is certainly not a trifling matter in a country having the world's foremost merchant marine.

#### Safeguard National Unity

National unity, which M Papandreou has always said he considered essential, does not seem to have suffered any new setbacks, perhaps not even that. That is because, first, with the change [of administration] a whole part of the Greek people found that republican institutions most definitely allowed alternation, and they feel represented in the government, without voters in the previous majority having the feeling that the state is no longer "their" state, at least so far.

And also, the Greek socialists were rather cleverly able to efface certain aftereffects of previous divisions (the civil war in particular) by no longer officially celebrating certain holidays connected with victories of one faction over the other, or with controversial anniversaries. On the other hand, the great amnesty, one of M Papandreou's secret plans, (LE MONDE of 21 November 1981) has not yet taken place. But for both juridical and psychological reasons, this presupposes the opposition's agreement. However, the New Democracy appears little inclined to be won over to a plan which would amount to "drawing a veil" over not only the Colonel's regime, but also over the communist secession of the immediate post-war period. Many elements of the PASOK left wing would also be opposed to a law which would appear abroad initially as an official pardon granted to the revolutionaries, even if it concerns a few dozen seditionaries on the one hand, and several tens of thousands of Greek communists and their descendents on the other....

Athens' international commitments do not appear for the moment to have changed radically because of the PASOK's advent to power. Before the election, and even more so afterward, it is true that M Papandreu revealed a quite intentional ambiguity in this regard. This ambiguity permits him to affirm today that he never undertook to take his country out of the Atlantic Alliance or the Community.

At the same time Greece has in various instances, particularly at the European level, taken more conciliatory positions than its partners regarding the East--in the Polish crisis in particular--or vis a vis the Arab world, where Greece has long maintained close relations. Colonel Qadhdhafi was to be received in Athens in the spring and the postponement of this spectacular visit is more a result of the somewhat extravagant requirements of the protocol service and the Libyan security service than a directly political action.

But on the whole the diplomatic and military upheaval feared by Greece's partners has not taken place. M Papandreu continues to claim adjustments and guarantees for his country, whether it involves the American military presence or the exercise of its Community rights. His entourage stresses the fact that if it was formerly improper to present the PASOK leader as anti-European or as an adversary of the West, it would be equally improper for the Americans to believe that Greece's commitment to the Alliance or to the EEC is unconditional. But last June at the NATO summit conference at Bonn one only had to see M Papandreu's seriousness and industriousness in carrying out his role as head of delegation to be convinced that Greece certainly did not wish to give up playing a role in Atlantic or Community proceedings.

That is, unless the development of its relations with Turkey becomes more acrimonious, as one might fear from certain vicious statements from Athens concerning Ankara, regarding in particular the question of territorial waters in the Aegean Sea, violations of Greek airspace by Turkey, and the Cyprus problem. Once again, Greece could then attempt to exert pressure on Turkey through Washington. There, too, the NATO summit at Bonn provided an indication: there, the Greek and Turkish delegations had demonstrated their intention to talk together in astonishingly polite terms. But, since, the "war of words" has been resumed. The disagreement between the Cypriot president, M Spyros Kyrianou, currently being received in Athens, and head of the Greek government, on ways to end the Turkish occupation of the north of the island [of Cyprus] will probably not help matters.

This relative continuity in Greek foreign policy, coming after the alarms that the PASOK's electoral statements may have caused, has obviously not sufficed to reassure a rightist opposition, which, for all that, was not in the least sorry to show its concern. But it did help speed up the split between the socialists and the "foreign" (pro-Soviet) communist party; a split which illustrates the quarrel between "Melina" and "Mikis," that is, between Madame Meroouri, minister of culture, and M Theodorakis, KKE [Greek Communist Party] deputy, a quarrel in which all Athens is now taking delight--and even more, all Pireus, since the actress and the composer are its elected representatives.

It is true that, for its part, the New Democracy is still suffering from the shock of its defeat last October. It has acquired a new leader in M Averof. He is a better speaker than the former prime minister (M Raillis himself agrees with amusement that this is not very difficult), but his political know-how and culture cannot let one forget that he embodies a certain tradition of the old Hellenic right, more than the renewal hoped for by the young supporters of the New Democracy.

#### The Empire of the "Green Guards"

The [old Hellenic right] unceasingly condemns the growing ascendancy of the "green guards" (the color chosen by the PASOK for its posters) over the administration and information services. These are shock-troops of the left who have not only become ministerial advisers--without the ministers' necessarily being delighted about it--but also occupy numerous posts which are in principle non-political, and in television. Often maximalists lacking experience or even administrative or legal training--"Alas, we have no ENA [National Management School]," one of them sighs--they have not only made friends [but have also made enemies] among the officials whom they pretend to "control" or advise. The rightists readily paraphrase, inverting it, a French metaphor used to compare radicals to radishes: "PASOK is like a watermelon: green outside, but red inside."

After a period of adjustment, M Papandreou intends to reorganize his government in the near future. He had admitted that, from the militant point of view, the first months of the alternation should be dedicated to clearing the ground. He calculates that this euphoric phase must quickly come to an end if the socialist party undertaking is to regain, if not the momentum and enthusiasm characteristic of the days after the electoral tidal wave, at least a credibility weakened by certain excesses in the language of his followers, by certain mistakes of this or that minister, and by real economic difficulties.

Weakened, but not ruined. In short, M Papandreou has to prepare himself for the autumn appointment: an appraisal of one year of Greek-style socialism, knowing that in case of a serious setback a certain "young right," which is beginning to come of age, will try to fill any space rendered vacant because of disillusionment.

9772

CSO: 4619/112

## REASONS FOR PASOK VICTORY, DECLINE OF 'DOGMATIC LEFT' VIEWED

Athens EXORMISI TIS KYRIAKIS in Greek 20 Jun 82 p 3

[Article by Sotiris Kostopoulos: "The Change and the Dogmatic Left"]

[Text] The fighters who come from the progressive circles fulfilled another debt of honor for the popular movement, ignoring the "line" of the traditional dogmatic Left: They made themselves available for the critical and decisive invitation of the recent pre-election fight, bound by their life recruitment. They are always at the side of the democratic forces of the country. By offering the reserves of many decades of fighting unjustified battles, they contributed in their way to the realization of Change. An all popular request of the national resistance. A permanent vision and objective of generations of the post-occupation period. Scarred from the tragedy of civil strife. Because of many weaknesses, the immaturity of the movement and the clash of foreign interests, the Right established its one-party government after the liberation. The results were disastrous for the nation, leading it to the known unsurpassable problems.

PASOK, strengthened by the support of both the naive and the most sophisticated followers of the traditional Left did not finish first in the electoral fight by luck. By making national popular unity a reality in its structure, it became the most important vehicle for Change and for crushing New Democracy. This is justified! Since it supports both in and outside of Parliament, the demands of the working class with consequence and results, and since it proclaims the irreconcilable protection of the national interests, fully responding to the expectations of the people. This means that there was no "political coincidence" but a historic fulfillment of the law when PASOK successfully raised the banner of the popular movement.

Thus, the traditional dogmatic Left (whether or not it accepts this description is of no importance) objectively remained behind in the rapid growth of the popular movement. We hope it will not choose to become an obstacle. If it was unsuccessful in the elections, it must assume sole responsibility for its mistakes. Basically it was the fault of many splits and the commitment of one mistake after another, by its own confession. This has resulted in its low percentage of the vote. It has been stunned! It has been cut off from the body of the movement. It does not align itself with the dialectics of progress, with the cosmogonic changes that are taking place internationally. It continues

its obsolete petrified "line," excluding any possibility of pursuing a realistic policy, of establishing a new and fertile dialogue with the only socialist power of our country. To the contrary, for several months, RIZOSPASTIS has started a systematic and misleading series of articles against the government line and the political/ideological targets of PASOK. It more or less accuses PASOK of having abandoned Change and of pursuing a policy of "bourgeois alternation" in our country! After making all of these serious accusations, the dogmatic leadership of the KKE is not seeking a dialogue but a monologue and reacts spasmodically against any confrontation with PASOK officials.

By voting for PASOK, the followers of the dogmatic Left indicated their disapproval of the leadership of the dogmatic KKE. With no intention of the slightest exaggeration or to engage in polemics, we say that this leadership, judging from its obvious objectives as indicated by recent facts, will taste more defeats, a series of them, as a result of popular discontent. This is true because the complete support of the government project strengthens the prediction that the PASOK will grow stronger after the elections. With conscientious and responsible followers from the entire spectrum of the progressive circles, but also from the party of the labor class, with loyal members who have many years of experience in coping with problems this will become a reality.

So let us not hesitate to look at reality straight in the eye, no matter what we are accused of, whether it is of creating two fronts, of belated anti-communism and other similar faults. That is the fate that is in store for those (persons or organizations) that attempt to criticize the leadership of the KKE. Let us not fool ourselves.

Eight years after its legalization in the Greek political scene, with three democratic electoral results that defined its strength, the KKE continues to harp on its glorious past (with legends of persecutions) and fortifies itself behind the nonexistent excuse of "anti-communism" to divert any effort to criticize its political line.

So anyone who dares to confront the "holy monster" of the Greek dogmatic leftist movement, either by asking a few simple questions or by confronting it ideologically and politically is sure to be labelled with one of the following epithets: "reactionary," "organ of the Right and the reactionaries" "fascist," "adventurous element," "agent of imperialism," "bourgeois" and so on. These cosmetic epithets have been received to a point of saturation by honorable and worthy fighters of the popular movement, by brave warriors of the resistance, by the fighters of the Polytechnic School and the School of Law as well as by the highest ranking officials of the party itself. That is why we are not alarmed nor embittered by the personal attack of RIZOSPASTIS against us, labelling us as being anti-KKE. The opposite is alarming to us.

It would be out of the practical aspects and the ideology of "the pure representative of the labor class." This time, however, it cannot fool the labor class. At another time, its existence was based on the exploitation of misery that was offered to it by the Right. It has the raw materials at hand for the theater of pain and struggle. Now the traditional KKE does not have any sufferers! Those who are working in the cities and the towns know that their material, moral and political betterment has been secured by PASOK and its pure

faith in social justice. And that is the weakness of the KKE. Because it knows that its nudity in misleading sophisms will push it further away from the labor class and the people in general. And it is furious! It does not forgive PASOK for rendering its stored ideals useless. The "ideological" and political treasuries of the ossified dogmatism have been emptied.

These facts confirm the electoral result of 18 October when the struggles of the Left, with a clear conscience, a clarity, thought and without hesitation, voted for PASOK. By breaking the dam of a chronic blurry expediency, they dared to intervene and aim for Change. "Here and now," indeed! And they are justified, because their choice was the only historic outlet for the masses of the Left. For the orientation of the popular movement. That has changed definitely and irrevocably. As the saying goes, the vestments do not make the priest. Nor do the labels make the party principles. You need much more than that for them. You need something different from the cunning product of the technicians of distortion. A clarity of orientation is needed as well as an honorable socialist faith and bravery in proclaiming the truth.

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CSO: 4621/402



## PRESS COVERAGE OF THE PETSOS DISMISSAL ISSUE

## Support for Petsos

Athens MESIMVRINI in Greek 22 Jul 82 p 1

[Excerpt] The government is now leaning toward putting some curbs on the freedom of the press in order to keep out of the public eye PASOK's internal problems and thus deal more effectively with the reaction of its deputies on the autocratic methods of its leadership. The government spokesman accused the press of being irresponsible--concerning reports published in an afternoon newspaper about the impending deflection of five PASOK deputies--and added that there is some thought about enacting a law "to protect the personality."

The newspaper political editors of all political persuasions objected to these remarks by saying that PASOK in opposition as well as in government has not shown--up to this time--any concern when there were reports about the deflection of deputies from other parties or about the break-up of other parties....

In Edessa, a large public gathering of friends and followers of Petsos, a top deputy from Pella, and former deputy defense minister, took place despite the opposition of certain party cadres, according to our Salonica correspondent. The gathering which was peaceful approved a resolution protesting "the removal of the top deputy in the [Pella] area from the Movement of the Change."

The resolution which will be delivered to Premier Papandreou, to Chamber of Deputies President Alevras and to Pella Nomarch G. Adamopoulos, states also that "the expulsion was unjust because Petsos' position was in favor of the premier and of the declaration of the Third of September" which contains the principles of PASOK's functioning and expresses the hope that "soon Petsos will be reinstated and that his struggle and our struggle for the good of PASOK will be recognized."

Our correspondent underlines that the PASOK (organization) in Pella Nome is seriously split with a tendency to isolate the hardliners. In a statement--the last as he said--Petsos emphasized that "inside and out of the Chamber of Deputies he will continue to fight for the completion and success of the task of Change." He further explained in the statement that he had told the premier who is also the defense minister about the charges he made public later in Edessa.

Responding to the Petsos statement, the government spokesman said that the Petsos issue is closed as far as the government and PASOK are concerned.

#### Cover-up Is Out of Question

Athens MESIMVRINI in Greek 22 Jul 82 p 1

[Editorial] Changing the subject is neither the best nor the smartest way to deal with the Petsos issue; neither for the government nor for the opposition. The autocratic behavior of the former and the inexplicable tactfulness of the latter--which tend to cover in silence the essence of the case--show deep contempt by both for public opinion. Instead of removing suspicion they multiply the rumors and the destructive hints.

The essence of the case of course is not whether Petsos was or was not properly expelled from PASOK (although the imperial manner with which PASOK kicked out the former deputy minister of defense and active deputy speaks volumes about the undemocratic character of the notorious "Movement"). The essence lies in the moral question raised last Sunday in Edessa by Petsos' open charges. This moral question is too great to remain unclear, covered by partisan anger for the mutiny, by the organized derision by the "green-guards," by the contradictory statements of the government's spokesman and the...polite silence of the opposition which, not unreasonably, will be equated with complicity in the eyes of impartial citizens.

Petsos, who since last Sunday speaks of immoral and dark conspirators who succeeded in throwing him out of the government, was not entrusted with the price of tomatoes (although tomatoes have become lately a precious commodity) nor with the transfer of primary schoolteachers. He was entrusted with negotiating the country's defense purchases, with contracts amounting to billions of dollars related to national defense. He had been entrusted with this task in spite of his youth because of his generally acknowledged moral stature and competence.

We limit ourselves today to raising a question: how is it possible for the governmental camp not to have the sensitivity and for the opposition not to have the anxious concern to see that such heavy shadows of suspicion do not fall on sectors of tremendous economic and defense significance?

#### Government Policy Attacked

Athens I KATHIMERINI in Greek 23 Jul 82 p 5

[Editorial] Pella Deputy Petsos should not be unhappy for his dismissal from PASOK. Much sooner than the optimists expect, one's political career will derive benefit if people do not remember that one was a key member of this "Movement"! The unhappy part, therefore, is not that one is expelled from PASOK but how long will such decision will take.

Petsos must not be surprised by his expulsion. It was inevitable. When he denounced the "dark mechanisms which control the movement" from within and

when he says that the members of these mechanisms have reduced moral strength, only one alternative was open. To have the movement and its leaders admit that the charges were true! If that were possible!

Legitimate, finally, but not very justified is the anger of Petsos for what he heard from his comrades on his attitude.

He is not the only one who has become the target of "socialist stoning" because he dared to question the purity of the internal functioning and the quality of the PASOK "structures." Just as it happens on the other end of the well known totalitarian practice, persons having as their only quality the eagerness to praise the leader and those who--possibly--influence him, were dressed up with all kinds of talents just to be appointed in key positions.

A public description of what takes place inside the circles of the "movement" after the accuser has been pushed out would have found public opinion in opposition, since the accuser did not feel bad for what he saw or heard while he was a member of the government. But in this case, the public opinion could not disagree with Petsos' tactic. The way he was expelled showed in fact that the party mechanism does not work well. If it existed, it should have taken up the complaints of the former deputy minister of defense: to accept or disprove his charges. And if the appropriate party organs found that his subsequent actions violated the elementary rules of party discipline, they and no one else should have imposed the penalty of expulsion.

One of the most interesting revelations of the Petsos incident is that the mechanisms of internal party functioning are non-existent and that the final decisions are made by its chairman who does not feel the need to respect the party's charter. These are the aspects which show the true dimensions of a party's "democratic" and "progressive" character; qualities which PASOK continues to claim as its true difference from the other "personal," "bourgeois" parties.

But what trust can one have in the declarations of a political party that it will work for a true decentralization for the state's powers; for making the majority the true agent of decisions; and for the absolute clarity of criteria which dictate this or that governmental action when the very power of the "purifying change" functions in an entirely contrary manner?

This too: How unjustified can be the fears that the people who show such contempt for the democratic principles will not lead the country in the end to a return of quantitative and qualitative troubles we all believed they belonged to the past?

To say that the sooner one separates his responsibilities from those of PASOK the more secure he can feel about his political future is not a rhetorical expression. It is the government's behavior that teaches it.

7520

CSO: 4621/452

POLITICAL

GREECE

BRIEFS

ALLEGED 'JEWISH LOBBY' ACTIVITIES--Reports yesterday implied that Greek exports of certain commodities (textiles, shoes etc.) to the United States are being hindered. The same reports from industrial circles said that the obstacles came from the Jewish lobby in the United States in retaliation for the Greek support to the Palestinians. However, according to a spokesman of the Greek industry, the reports about the "sabotage of Greek exports need to be clarified and verified. In the meantime, the Union of Commerce and Industry Chambers in Israel sent to the Piraeus Commerce and Industry Chamber a letter stating that if the "boycott" of Israeli ships in Piraeus and other Greek ports continues, it is very probable that the Greek ships in Israeli ports or in other countries will have the same treatment. [Text] [Athens AKROPOLIS in Greek 23 Jul 82 p 1] 7520

CSO: 4621/452

## PCE CALLS ON PSOE TO MAKE COMMON FRONT AGAINST CENTER-RIGHT

Madrid EL PAIS in Spanish 4 Jul 82 p 16

[Article by Javier Angulo]

[Text] Yesterday the PCE Central Committee approved, with four abstentions, one of them by Marcelino Camacho, and with the absence of Nicolas Sartorius, a resolution with two important aspects: An appeal to the PSOE to reconsider the risks associated with the bipolar policy and to come out clearly in support of democratic front policy in the fact of "the threat from the great right," which it situates between Fraga and Calvo Sotelo, and the party's Eurocommunist idea, to which it invites "those who left" to return "with no humiliation."

The differences between the official sector centered around Carrillo controlling the executive and the reform and dogmatic tendencies reappeared, although with less acrimony than in the June meetings, in yesterday's Central Committee session in which the resolution project and the expansion of the executive committee were debated.

The resolution project, stated after the executive report read Friday by Santiago Carrillo following a review of the international political situation, stops to analyze in detail the Spanish political panorama and emphasizes the danger of a cluster of forces from the right centered around Popular Alliance and Fraga, "a grouping favored by the policy of Calvo Sotelo." "A victory by the right," the resolution goes on, "would mean a revision of the most progressive aspects of the constitution." Thus was toned down the paragraph dedicated to the great right, which in the report of the executive was included within a "bloc with dangerous power" associated with the real powers and a large part of the oligarchy.

"The threat of the rightist coalition has become something truly disquieting and serious," in the opinion of the PCE Central Committee, which accuses it of provoking the UCD crisis and of supporting the tendency toward bi-polarization of Spanish political life. "For our people it could seem that only alternative to following this course is the option between a PSOE displaced toward moderate right-wing positions, that breaks its ties with

the PCE and other democratic forces, and a harsh traditional right grouped around Fraga Iribarne. Under these conditions an alternative PSOE would not be able to resist the pressure of the real powers and the oligarchy, and it would not satisfy the desire for real change that is present in the majority of our people and it could act as a pretext for any reactionary adventure."

The PCE Central Committee advocates a center-left government with a democratic front policy. The final part of the resolution focuses on the PCE internal situation, "that ought to abandon," it says, "the position of withdrawal in which it has been placed by the crisis and take up a much more aggressive position; the party should assemble its forces in order to homogenize its message and overcome the effects of demoralization, in order to maintain a policy clearly open to the forces of labor and culture."

In its resolution the Central Committee ratifies the PCE Eurocommunist concept, "excluding no sector of the party." It adds, "the doors of this party are open for the return, without humiliation, of those who once left the party." This tepid reference to an "open-door policy," adopted as a resolution in the previous Central Committee, seemed insufficient to Marcelino Camacho and some reformers, among them Nicolas Sartorius, who, although they made no public statement, are for a clear amnesty. "The open-door policy is not easy with the same doorkeepers," Marcelino Camacho declared to EL PAIS.

Also, neither to Camacho nor to Sartorius nor to other Central Committee members had the criticism and disqualifications directed to the reformers in the executive report seemed especially severe. The terminology in the resolution has been softened and it is asserted that the Central Committee "considers sterile and negative all the attempts to find solutions in new groups or parties which, despite their reform or unifying programs, contribute nothing, and if they do it is that they reduce the chances for progress in the labor movement."

One step consists in increasing the executive committee by at least four members through the entrance of young people, such as Andreu Claret, who will occupy the Secretariat for Information and Publications; Eulalia Vintro, who will take charge of Education and Culture; and Jose Carlos Mauricio, who will assume organizational duties. To them one ought to add the designation of Adolfo Pinedo, who will take charge of the Secretariat of Union Relations left vacant by Nicolas Sartorius, who, nevertheless, will continue as head of the Secretariat of Economics. It is a step that for most reformers should be just the beginning of a larger restructuring and solidification of the executive work areas.

The Central Committee also designated the Central Electoral Commission, to be made up of Santiago Carrillo and Enrique Guriel, as president and secretary, respectively, and Jaime Ballesteros, Nicolas Sartorius, Adolfo Pinedo, Julian Ariza and Andreu Claret.

## CAMACHO SPEAKS ABOUT LABOR MOVEMENT, ECONOMIC POLICY

Madrid ACTUALIDAD ECONOMICA in Spanish 24 Jun 82 pp 26-31

[Report on an interview with Marcelino Camacho, former Communist Party Central Committee member, by correspondent Jose Antonio Roca: "We Have Neglected the Worker"; date and place of interview not given]

[Text] The evolution of Spanish trade unionist during the last 5 years has been a multitude of absurdities. The unions, in their eagerness to act as protagonists, have been more concerned with nonlabor problems and have preferred to act as transmission belts for the political parties, instead of trying to find solutions to workers' problems. This has caused a notable alienation of the basis of the union organizations and has become a profound crisis whose principal symptoms are the lack of power of convocation, the fall in the levels of affiliation and esteem, and the lack of unified union action.

The recent demonstrations have shown that the workers, even including those affiliated with the majority union organizations, are very estranged from the union power centers. When only 4,000 from unions that boast of having nearly 4 million affiliates, as in the case for the UGI [General Union of Workers] and the CCOO [Workers Commissions], attend an assembly in support of the ANE [National Employment Agreement] it is a symptom that something is happening, that the union model is failing, despite the fact that some try to back out, putting the blame on the economic crisis and on the attitude of employers.

"Spanish society is a society in crisis, a society in transition, confused and shaken, with a series of epileptic crises--namely, terrorism and the coup mentality--and living immersed in a scientific and technical revolution that is producing radical changes. To think that the unions could remain at the margin of this is to live on another planet," says Marcelino Camacho, secretary general of CC.OO.

The leader of the communist organization recognizes that the levels of affiliation have been sensitive to the general crisis, but he does not think that they have fallen, basing his argument on the increase in unemployment.

"Steady work has become precarious work. Unemployment has grown alarmingly in recent years, for of the 2 million now unemployed, a full million has swelled the ranks of this army since 1978, and most of them are affiliated workers. What has happened is that the degree of union organization was not such that it could pursue those workers who were leaving industry...The militant has not given up; what is happening is that the union does not have sufficient capacity to follow that militant, nor does the militant, in a moment of deception or fear, feel the need to join, to renew his position, also out of fear of not finding work."

Nevertheless, Camacho ends up recognizing the errors that the unions have fallen into at one time or other--the problem is not exclusively that of CC00--when he states:

"In addition, one must recognize that there have been some problems for which the unions had no adequate responses. Thus, for example, the Television workers accused us of having done everything in our power to defend Fernando Castedo and of having forgotten about our own problems. And they were right. It is not that it was wrong to have defended Castedo, for I believe that it was necessary to do it, along with all of this country's progressive and Left forces, but above all the unions ought to defend the worker. And at times we have shunted him aside, which has had a negative effect on affiliation and, of course, in the elections."

Camacho goes back and recalls the setbacks of Seat, Ensidesa, Renault... in the 1980 union elections. And again he insists:

"But when a society is carrying out a confused and shaky transition that transmits a high-frequency vibration--which is a disintegrating element--to think that the pillars of this society are not going to resent it is to live in another world. But this is not an exclusively Spanish problem, but one shared, although on a smaller scale, by the Italians, the French...."

The only response to this phenomenon, in the opinion of Camacho, would be in reviving the ashes of union unity.

"The union must respond to this situation and this response cannot be a policy of resistance at all costs or in a reform policy accepting everything they give you. Right now the union should be conscious of the fact that the fundamental goal is to reunite the class, to try to work together in union matters and to find a common denominator in the professional area."

As an objective, union unity is reasonable, but no less utopian. Spanish trade unionism since 1976 has become several domains of factions in which the two majority forces have sought to trample the rest under foot. Proof of that is in the minimal demands in the Workers Statute. The absence of unity, if not a vehement quarrel, has been that common denominator. There have been numerous attempts to regain the unity of action, but they have failed, possibly because of that same desire to be protagonists. Nevertheless, Camacho believes that it is still possible: "Union unity is possible and necessary...there is no other way out."



In spite of his recent resignations as delegate and Communist Party Central Committee member, Marcelino Camacho continues to make policy and he advocates the popular front doctrine that would give the PCE the protagonist image denied it first in the general elections and later in the autonomous elections.

"But not only must one seek union unity, one must create unity in progressive forces, with the left at the head, not exclusively, but along with the center and some progressive sectors. Spain is undergoing a transition. The building has not yet been constructed, the economic crisis is extremely serious and if we were not capable of making a large-scale effort there would be no way out of the situation, since no one in this country has the capacity to solve the problems."

The French example supports his thesis: "In France as well, with a socialist and communist government, with a large majority, at this time the government has had to moderate certain campaigns...."

And he continues: "To reunite the class in the unions one must establish the unanimity, the common program, as a body searching for the common denominator. In order that the class rise up with its weight and stature, it is not enough to say they are throwing me into the street and I will defend myself to the death, or they are throwing me out and I remain calm, because neither approach is effective. One must resist, but one must offer alternatives, because otherwise the enterprise will close and collapse. The objective is to provide an alternative that will bring out this solidarity that is present in the birth of trade unionism, and we believe that this approach contains the CCOO plan of national solidarity and the ANE.

In recent days both the government, as well as the majority union organizations have praised what has been called "a historical agreement." In contrast, the CEOC [Spanish Confederation of Business Organizations] has denounced what it considers a historical error, because in its opinion the ANE has served to slow wage costs, but not to reduce them, and, on the contrary, it has renewed the spirit of conflict and has increased the public debt. For Camacho the agreement has been very positive, but it is only a first step:

"For CCOO, the ANE is what the Stabilization Plan was in relation to the Development Plan. That is, it has served to improve the preceding situation, to accumulate what is indispensable and to establish a launching platform, in this case for facing unemployment. And it has been attained, because at the moment there is an imbalance of 40,000 jobs that we believe will be solved in the coming months."

In regard to the continuity of the ANE, Camacho favors the CCOO solidarity plan.

"To being with, we believe that what is needed is a plan of at least 4 years. The continuation of the ANE should adopt some very profound measures to permit the development of that policy of solidarity in order to slow down unemployment

and create new jobs. This should lead to changes, such as having workers participate in the control of investments and planning. In a rational society one must first introduce the idea that there must be management: But for us to manage is to organize, to organize is to anticipate and to anticipate is to plan, which does not mean that we should have rigid and bureaucratic state planning that includes everything, but a plan with an indicative part and an executive part--as is the case for the plans in France and all the countries--tending to assure full employment, and until then, full job security, to work fewer hours in order that all may work, to increase productivity and to introduce new technology to make our products competitive. Our class has a class sense, it wants changes and it has a sense for the nation.... It understands that we have economic activity both inside and outside our country that must be maintained and developed, and this can only be done to the degree that we introduce new technologies."

In regard to the attitude of the CEOE, concerning the ANE and the agreements policy for the coming year, Marcelino Camacho speaks sharply:

"The CEOE never wanted to negotiate the ANE, and neither did it want to negotiate in Moncloa in 1977.... The top representatives of employers, for one should not think that the CEOE represents employers, is a bureaucratic bourgeoisie living from a policy of air conditioning and customs barriers, to whom the level of unemployment seems normal: It is interested in having an enormous mass of unemployed, for thus it can pay lower wages, which is, in essence, what the AMI [Framework Bargaining Agreement] agreement amounted to. The difference between the AMI and the ANE is that the AMI is not possible in this country. It was possible in an action against the Workers Commissions in order to divide the workers in collective negotiation; but it did not create jobs and it did not get hold of the crisis. The AMI was not an employment policy, but a wages policy in a time of crisis, whereas the ANE is a policy that is trying to improve the situation in order to proceed from there to a policy of solidarity in full employment, and because it is for solidarity it tends to unite the unions, and not divide them, as in the case of the AMI."

Nevertheless, the attitude that the CCOO had and has toward the AMI caused it to lose 3 points in the elections, while the UGT was able to improve close to 10 full points.

"We are conscious of the fact that in the crisis workers do not have higher wages and that these are falling, primarily because there is less workers organization and because demand and supply are unfavorable for us. The work force, the same as any other commodity, is closely linked to supply and demand. This is known, and it was with good reason that we opposed the AMI. And we would continue to oppose it now for the reason that the number one problem faced by workers and that we still have, as does Spanish society, is unemployment. The AMI did not create a single job, but destroyed 1,000 jobs daily, despite the predictions by the UGT and by the then Labor Minister Rafael Calvo Ortega, who said that the AMI would create 1,000 jobs a day. The same thing occurs with the Workers Statute, a monster resulting from an agreement between the UGT and the CEOE, that we opposed in parliament and that facilitated and cheapened dismissal."

"Based on this and because of the combined effects of a series of circumstances," he continues, "we lost three percentage points in the union elections. Nevertheless, we are improving in the elections that have been held up to now. In enterprises like Seat and Ensidesa where we had suffered losses, we have gained some ground, and as a whole, in the enterprises in the metals industry with more than 1,000 workers we have gained 4 percent compared with the previous elections, and we continue to be four or five percentage points ahead of the UGT. What happened was that we failed to understand in time that the union panorama had changed as a result of the UGT having signed an agreement with employers, a far-reaching agreement that included the Workers Statute, and this had a negative effect on the CC00 in the 1980 electoral meetings. But--I repeat--we did well and we would do it again."

The Workers Commissions are betting on the ANE--"to a large extent it is working"--although it would make some small adjustments.

"We thought that in the area of investments the government ought to provide another 150 billion in order to be able to stabilize employment and begin to bring down the level of unemployment. People only see that unemployment is increasing, but that is logical in the midst of a long-term structural crisis--in France there is also growing unemployment under a socialist-communist government. The scientific and technical revolution, the introduction of microprocessors, robots, genetic engineering...all destroy jobs if there is no reduction in the number of hours worked, and business is resisting in the same way that American capitalists in Chicago refused to go along with the 8-hour day. It has always been that way."

The CEOE has recently made a study on reaching an accord, in which it calls for bilateral negotiations, permitting the administration to take part on some very specific points. The CC00 position was already made clear in regard to the signing of the AMI and it has not changed.

"A bilateral agreement is impossible, because in economics there is a law, or better a rule, that determines that for there to be investment there must be an expectation of almost certain benefits in the short term. Whoever has 10 million pesetas will invest it if he is certain that he will have 12 million next year; if not, he uses it for speculation."

And the risk:

"In a country like this one where the government dominates there has been no risk, because there has been no investment or they have gone outside the country to build factories in the Philippines to then compete in the Spanish textiles market or in tobacco.... Investment requires political confidence, but above all the expectation of benefits, and in the midst of a structural crisis there is no outlet for investment. That is why business does not invest."

It is just one step from there to investment and public sector deficits.

"Whenever there is no investment of private capital because of the crisis, or the public sector invests at the expense of the private sector or vice versa, the crisis worsens and there is stagnation. The public sector effort must be enormous."

Even at the cost of increasing the public deficit?

"The public sector deficit does not increase on account of investment. To increase public investment does not mean an increase in public expenditures; it does mean an increase in investment which creates wealth instead of consuming wealth. If the public sector does not invest there is a terrible increase in unemployment as long as the crisis lasts."

In spite of the good or bad intentions--depending on one's view--of the CC00 and of Spanish unions in seeking and providing ideas to revive the country's economy, there is an underlying desire to be the protagonist, the desire to try to score that goal that might restore the damaged image of the unions, an image that caused Marcelino Camacho to abandon his position on the Central Committee of the Communist Party.

"CC00 is a class union, democratic, pluralistic and independent. The people associate the problems of the PCE with those of the CC00 and it is not that way. In fact, only 5 percent of our members are affiliated with political parties. But it is not enough that the PCE establishes the independence of the CC00; it must not only be independent, but seem independent, and that is what caused my retirement first as delegate and later my resignation as member of the PCE Central Committee."

This decision was not sudden, but well thought out for some time.

"My resignation from the Central Committee of the PCE had been decided 6 months earlier, but it was not considered opportune to present it prior to the Andalusian elections because of the repercussions that it could have. Now I have done it and there was no other reason, although everyone is free to think what he wishes, than to strengthen the independence of the CC00."

In addition, neither does Camacho believe that the image of the CC00 has deteriorated.

"The image of the CC00 is quite good, and the elections that have been held to date support my words, for we are gaining ground and consolidating our union leadership."

Nevertheless, "the most important thing is that the two class unions have taken 77 percent of the votes in the elections in enterprises with more than 1,000 workers, which supposes an increase of almost 10 percentage points since the last elections. And this is what really matters, since trade unionism proceeds from the basis of class consciousness, negotiating hard, moving toward full employment."

The recent failures remain a lesson with a view to the future: "It is true that the failure of the most recent mobilizations produces a certain disorder among workers, but this has served as a lesson for us, for we have learned that the workers respond better when the mobilizations are for specific actions--in the last strike in Gefate in support of Kelvinator they practically closed all the establishments and factories--and that the worker fears losing his job. The errors will not be repeated, but for that it is necessary--as I indicated before--to reunite the working class and the unions and to put into effect a plan for national solidarity."

The objective remains the same as in 1978 where the national plan of solidarity for jobs and against unemployment was already being devised in the first CC00 congress and in 5 years nothing has been accomplished. But Camacho is not retreating, and perhaps he is thinking about the agreements of Moncloa. What is certain is that it will be very difficult for him.

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## PCE CENTRAL COMMITTEE ISSUES POLICY STATEMENT

Madrid EL PAIS in Spanish 8 Jul 82 pp 16-17

[Resolution of the PCE Central Committee, 3 July 1982]

## I

[Text] For Peace, Disarmament and Independence of Peoples

The PCE Central Committee expresses its concern over the recent increase in international tensions and the dangerous arms race in which the military blocs are involved. It considers it necessary to promote, along with the other opinion sectors, a great mass movement for peace and disarmament. As intermediate steps in this process, it declares itself in favor of measures for reciprocal and controlled nuclear disarmament in Europe and in the Mediterranean area.

The Central Committee agrees to condemn most strongly the Israeli genocide against the Palestinian people, which has "been possible" through U.S. complicity, and to promote specific actions for solidarity with the courageous PLO combatants, who are defending the survival of their people as such and their inalienable right to possess their own state.

It considers that in the international sphere Spain should act in favor of negotiations to return to Argentina sovereignty over the Malvinas, in favor of solutions that guarantee the right to independence and liberty for the peoples of Latin America now oppressed by the United States-supported tyrannies, in favor of a solution to assure the people of the Sahara the right to self-determination, in favor of peace in the Near East and between Iran and Iraq, in favor of the peaceful reunification of the Korean nation, and in general in favor of respect and noninterference by countries in the affairs of others and a negotiated solution to all the conflicts threatening world peace.

The Central Committee considers that the course taken by the Reagan administration adopting economic measures hostile to European interests and trying to lead the European peoples into a commercial war against the USSR and to an increase in the nuclear arsenal with the prospect of a "limited war" on our continent constitutes a serious threat to peace and

cooperation. Under these conditions the decision to join NATO seems even more inappropriate and dangerous for our country. The PCE is committed to seek an end to the procedures for entrance into NATO in the next session of parliament and to call for a referendum so that the Spanish people can express their will on this subject.

The Central Committee rejects the agreements between the government and the American administration for continuing the presence of Yankee military bases on our territory, which were negotiated without the least publicity at the end of the parliamentary session.

The PCE speaks out in favor of a policy for the simultaneous dissolution of the military blocs, for the elimination of foreign military bases and the liquidation of all traces of colonialism, including the occupation of Gibraltar by Great Britain.

The PCE favors a Spanish policy of active neutrality.

The Central Committee considers that the most nobly human and at the same time most revolutionary task today is to preserve world peace at all cost, negotiating to put an end to the conflicts that threaten it.

## II

### A Policy for a Democratic Front

In examining the national situation, the Central Committee considers that we face the danger of a grouping of forces from the Right centered around the Popular Alliance [AP] and Mr Fraga Iribarne, a grouping favored by the policy of Leopoldo Calvo Sotelo. A victory by the Right would mean the danger of a revision of the most progressive aspects of the constitution and a worsening of social tensions as attempts are made to solve the economic crisis at the cost of workers and the most modest social strata; that is, it means a serious step backward socially and politically that would weaken and more seriously endanger the democratic system.

The threat from the expanded right has become something truly disquieting and serious.

The expanded right has caused the crisis in the UCD and has promoted the tendency to bipolarization in Spanish political life. If this course is followed, it could appear to our population that the only alternative is the option between a PSOE displaced toward moderate rightwing positions, that breaks its ties with the PCE and other democratic forces, and a harsh traditional right grouped around Fraga Iribarne. Under these conditions a PSOE alternative isolated from the whole of democratic forces would not be able to resist the pressure of the real powers and the oligarchy, it would not satisfy the desire for real change present in the majority of our people and it could serve as a pretext for any reactionary adventure.

Now the consequences of the lack of a policy of democratic concentration in the process of change are being noticed with the utmost clarity. That policy that was based on the necessity of a common front of the working forces and the left with the reformist bourgeoisie in order to overcome in depth the traditional obstacles to democratic change had no defender other than the Communist Party, which, nevertheless, because of the weakness in its work indicated in the 10th Congress, in particular its insufficient contact with the masses, was not able to mobilize them to a great degree in favor of that policy. The right opposed whatever it felt might resemble that democratic front, as was seen when from the United States Ferrer Salat denounced the Moncloa pacts as if it were a matter of installing the Soviets in Spain. The right sought to maintain all its institutional and economic strongholds intact, and to a large extent it succeeded, exploiting the disenchantment and the disillusionment toward change by important sectors of the population.

The PSOE, with no clear notion of Spanish reality, thought that approval of the constitution would convert Spain into an advanced and consolidated democracy, from which the dangers of introversion would disappear and in which it would be possible to practice a peaceful transfer to power between a party of the social democrat type and a conservative right. Despite the open and unitarian attitudes of the PCE and our real independence, from the start of change the PSOE showed a clear tendency to isolate us, objectively favoring the residual ideology of Franciosm, visceral anticommunism.

These PSOE positions changed only temporarily at given times; one occasion was that of 23 February, when it saw that its illusions regarding the disappearance of introversion were unreal, and another occasion was when after the municipal elections it proved that it needed the communist votes in order to form the local government in very important cities and villages.

But what is certain is that the PSOE never understood the necessity to cooperate with the left and the reformist bourgeoisie and that it contributed to a process of bipolarization unfavorable, in short, to real change.

With that process and under the pressure of the real and economic powers, the UCD shifted farther and farther to the right, and Fraga, who had been contained in the 1977 and 1979 elections, now saw his election chances rise, thanks to the work of Calvo Sotelo, who has cleared his path of obstacles and difficulties.

In view of this situation, the PCE Central Committee appeals to the PSOE to reconsider the risks associated with the policy of bipolarization and to come out clearly in favor of a democratic front policy of cooperation with all the sincerely progressive and constitutional forces, without concessions to the visceral anticommunism propagated by Francoism.

We make this appeal in our desire for unity with the socialists, necessary to achieve a wide democratic front of forces.



The Central Committee also directs itself to the people and the sectors of the reformist bourgeoisie so that they may understand the necessity of a center party, free from rightwing excesses, capable of cooperating with the left and necessary for national democratic balance.

Today it is difficult in the short and middle term to find another way to slow the return of the traditional right to the government and to guarantee the amplification and consolidation of liberties.

That being the case, the PCE, as always, is fulfilling its duty of giving the people the truth about the situation and the dangers inherent in it, without concessions to expediency; the PCE confirms its willingness to defend the constitution, strengthen and consolidate democratic liberties and to make progress in building a state of autonomies.

### III

#### Changing the Direction of Social Policy

One of the factors contributing to the strangeness of this situation has been the social policy of the UCD and its governments and the manner in which it has faced the problems of the economic crisis. The UCD has always yielded to CEOE [Spanish Confederation of Business Organizations] pressure; it has created serious difficulties for the consolidation of unions, refusing to return to them their union heritage; it has resisted practicing a policy of national solidarity to overcome the crisis; it has been stingy with retirement pensions, conservative in the face of growing unemployment and has shown no imagination at a time when solutions must be sought for one of the most serious social problems: youth unemployment.

There is more. By means of the Workers Statute of decrees such as that referring to temporary work, they have done everything possible to facilitate easy dismissal, acceding to the demands of the CEOE. The PCE expresses its opposition to this decree and will take the necessary measures to obtain its revocation.

The only exception to this orientation is the ANE [National Agreement on Employment], brought about thanks to the united action of the Worker Commissions and the UGT [General Union of Workers] with the support of the workers parties, and which could now be put in question by an early adjournment of parliament. And in any case it would have to be complemented by a plan for finding more serious and convincing solutions to the problem of unemployment. Certainly we must emphasize the incompleteness of the ANE as regards the replacement of community work by unemployment insurance for agricultural workers.

The inability of the government to control inflation, which will exceed 13 percent at the end of this year, represents an especially harmful situation for social and working sectors with no semiannual wage adjustment, as is the case, among others, for pensioners and workers in public administration. The Central Committee, in denouncing this fact, agrees to make an interpellation to the government demanding measures to compensate for the losses to these collectives through excessive inflation.

Inflation is equally harmful to small farmers, who see their purchasing power fall day by day.

As a consequence, the UCD social policy, too closely associated with the class interests of business, has led to increased unemployment, to higher living costs and to a decrease in purchasing power for workers, the middle levels and the marginal sectors of the population, who feel abandoned. All that has created dissatisfaction and disenchantment with the results of the change.

One of the objectives of the orientation toward a democratic front and of the cooperation of the left with the reformist bourgeoisie would have to be a new economic and social policy based on the principle of solidarity that focuses in a progressive way on the problems of the crisis and facilitates responsive action by labor unions, giving back to them the necessary means for that purpose.

The Central Committee appeals to all workers and party comrades to give their full support in the process of the union elections now in progress to the candidacies of the CS of the Workers Commissions and to the success of this office in the said elections.

#### IV

#### Defending the Autonomies Against the LOAPA

The LOAPA is one of the laws characteristic of the regressive orientation practiced after 23 February.

The need to rationalize the process of autonomy, to establish more clearly the channels and the areas for the transformation of the central state into a state with autonomies was a widely shared conviction. Our party was the first, much before 23 February, to act upon this necessity.

That is why the PCE is participating in the first phase of negotiations for the autonomy pact, even expressing its disagreement with the absence of the nationalist Catalanian and Basque minorities in the negotiations.

But when the subject of LOAPA was approached and we were required to sign it in order to participate in the agreements, on refusing to do so we were excluded from the negotiations.

The LOAPA involved a revision of the approved statutes and of title eight itself of the constitution, in that it reduced the autonomies and returned to the centralism that was going to create serious problems in the autonomous communities, making more difficult instead of facilitating the process of creating the state of autonomies.

Surprisingly, instead of being signed by the parties that endorsed it, this was done by the head of the government in that capacity and by the secretary general of the PSOE.

And now, when it has been discussed and voted on in parliament, the absence and the lack of interest on the part of a large number of UCD delegates has contrasted with the presence and the decisive participation of the PSOE, which has appeared as the principal proponent of the LOAPA.

But what confirms the PCE's doubts about the law is that its very authors would include an additional amendment postponing by 5 months its application so that the Constitutional Tribunal may decide on its validity.

It is the first time that the authors of a law actually recognize that it may not be constitutional.

But everything is strange and unusual in the case of the LOAPA. At the beginning its promotion coincided with a report solicited from a team of experts, and in the end it is entrusted to other experts, those making up the Constitutional Tribunal, in order that they confirm or deny its validity. One gets the impression that the Congress of Deputies and the majority parties are abandoning their responsibility to the experts. That is an impression that certainly does not contribute to increasing the prestige and authority of the democratic institutions.

The PCE Central Committee believes that, in short, what has happened at the last minute, in postponing by 5 months the application of the LOAPA, vindicates those of us who have opposed that law. The LOAPA should be corrected by means of a political agreement between all of the interested parties, before it becomes the criterion for rationalizing the autonomy process.

## V

### The PCE and the Upcoming Elections

The Central Committee believes that the general elections should be held at the time established by the constitution, that is, in the spring of 1983; that to advance the elections would give the country an image of dangerous instability and political insecurity capable of influencing the rate of abstention and the direction of the vote. Therefore, it charges the Communist Parliamentary Group with making all the favorable decisions within its power to insure that the constitutional time frame is upheld.

By all means, the party should make serious preparations for probable early elections, which, in the opinion of the majority parties in the current legislature, could take place in mid-November.

In that case the Central Committee considers indispensable the previous drafting of an electoral law that rigorously respects the principle of proportionality written into the constitution and that corrects the injustice of the decree under which the 1977 and 1979 elections were held, that with the D'Hont rule and the distribution of the minimum by circumscriptions [sic] falsifies that principle.

The Central Committee agrees to designate in this plenum a central electoral commission with the task of beginning campaign preparations, specifically:

- a) Drawing up the election program.
- b) Organizing the preelection campaign.
- c) Study of the candidacies.
- d) Preparation of the image-making campaign, using specific up-to-date methods.
- e) Raising the necessary economic funds to carry out an effective campaign worthy of the PCE.

The Central Committee will discuss the election program in one of its upcoming sessions.

## VI

### Past Elections in Andalusia

Faced with the prospect of general elections, the Central Committee considers it necessary to review some of the experiences from past Andalusian elections in which the PCE lost a very considerable part of the vote to the PSOE.

In the opinion of the Central Committee, the principal factors that influenced this outcome are the following:

a) The entire atmosphere created around the elections presented them in the public opinion as a confrontation between the PSOE (well established in Andalusia with the personality of Escuredo, that we had a part in strengthening, and the personalities of their national leaders Gonzalez and Guerra) and the Right, very specifically personified in the governing party. This atmosphere contributed to creating the psychology of the useful vote and worked against us.

b) In our tactics, as well as for the PSOE, the main adversary was the UCD, the governing party, when in reality this role had already been assumed by the AP, which, despite only weak prior influence in Andalusia, with the support of business became the pole of attraction for voters influenced by the Right.

In centering our criticism and attack on the UCD and in making our campaign under the motto "together we can," and generically in favor of a triumph by the Left, even though we might include the role of the PCE within it, we did it to complement the role of the PSOE. In practice we were contributing to enlarging the flow of the /useful vote/ [in boldface] to the PSOE, to conforming the elections as a Right-PSOE confrontation. Even some of our speakers asked not for a vote for the party, but for the Left.

c) The Andalusian Communist Party [PCA] had a good program. But it was not in time; the electorate did not become familiar with it. What happened too was that the subject of integral agrarian reform in certain cases was not sufficiently clarified, which is probably why voters in the industrial zones and in the services industry, as well as the middle class and professionals, did not come to know about our offer. Parallel to that, at the local level the achievements of the party's government policy probably were not sufficiently used in propaganda.

d) The image-making campaign was very imprudent and poor. It was not sufficiently personalized, being excessively diluted. On the one hand, the economic resources at our disposal were so disproportionate compared with those of the PSOE, UCD, AP and even PSA [Andalusian Socialist Party] that whereas these parties brought out the people and filled the press and radio, our presence was little more than a campaign of meetings; it had no specific idea of our part in the contest and it did not know what we stood for and what we proposed to do.

e) In contrast, the PCE crisis of national proportions has objectively favored the PSOE, especially through the massive manipulation by the communications media on account of this crisis. For months they have been transmitting the image of an undemocratic communist party, on the one hand anti-Soviet, and on the other hand resistant to reform, outwardly unrocommunist, inwardly Stalinistic, for labor and hostile to cultural forces, compared to the other party of the Left, the PSOE, whose objectives did not appear so different from our own, and whose adherence to democracy was not contested, despite the fact that in reality it has been characterized by an administratively imposed monolithic structure.

The use of our crisis in this way had a clear goal: That of reducing our area of influence, strengthening the POSE and favoring a dual party system and bipolarization. And one must recognize that that objective was achieved, in part, in Galicia and above all in Andalusia.

In addition, the party crisis in Andalusia had its own peculiarities, such as the indifference and lack of direct commitment in the campaign by a number of very prominent communist union cadre, who had been propagandists and even candidates in other elections.

Also, the fundamental problems of the PCA remained open at the time of the elections. The leadership under Comrade Felipe Alcaraz has had little time and has not obtained the minimum indispensable means for leading the PCA and applying the organizational agreements of the Second Congress.

All of these factors influenced the result, although it would be unfair not to add that thousands of comrades made a selfless and enthusiastic effort; they did their best, and despite the election setback, the PCA has strength and roots that allow it to think of recovering and making progress in a short time if the causes are corrected.

## VII

### A PCE Bound to Society

The Central Committee, analyzing the consequences of the internal crisis, considers it necessary to make the greatest effort to overcome them, remembering, in addition, that we are very near to the upcoming general elections.

Therefore, the party must abandon the position of retreat in which the crisis has placed it, and take on a much more aggressive position.

The party needs to mobilize its forces and its energies, which are considerable, homogenize its message, overcome the effects of demoralization and maintain a clearly open policy.

Open to the forces of labor and culture: There is a place in its ranks both for communists imbued with a traditional culture, who do not agree with the critical positions toward the system of the countries of so-called real socialism, and for those who consider themselves boldly reformist. At this time the division and the dispersion of the strength of those of us adhering to party ideas can only favor the class adversary and those who defend the assault on the democratic system.

The Eurocommunist concept approved several years ago by the party majority, the concept in which this Central Committee is confirmed, excludes no party sectors. Its doors are open for the return without humiliation of those who left in a moment and for anyone to join who believes in the need for an authentic socialist revolution uniting equality with liberty and socialism with democracy.

The Central Committee considers sterile and negative all attempts to seek solutions in new groups or parties that, despite their programs to reform and unify, contribute nothing, and if they do, they reduce the chances for progress by the labor movement.

The unity of the Left and the forces of progress at the national and international level can only be the result of a convergence of the currents and the parties actually in existence, with historical roots, and our party has proven that it has the most advanced concept in this area with its proposal for /the new political formation/ [in boldface].

Doubtless the PCE needs to make an effort to raise the quality of work in its leadership organizations, which is why this Central Committee is now making decisions that represent a step in that direction. And at the same time it must work with firmness to apply the orientation approved in the 10th Congress to better unite the leadership and those elected by the people with the basis, to introduce the total party more profoundly in the social fabric in order that it can bind itself more solidly with traditional and modern social movements and to assimilate the new phenomena and guarantee a permanent democratic functioning. This should be the concern of all cadre and every member in his specific party work.

In view of the nearness of general elections, the Central Committee appeals to all party members and all its sympathizers, wherever they may be, to give their best effort in this battle.

The PCE will present itself in the elections with its program, its features and its candidates, and it will unequivocally seek the popular vote for itself.

To vote PCE will be to vote for change, for progress and for a deepening and a consolidation of democracy, for the formation of a front by forces of the left and the reformist bourgeoisie that, supported by the mobilization of the people, can slow the slide to the right and raise a barrier against the dangers of introversion, guaranteeing the supremacy of civilian power--a front that will guarantee the defense of the constitution, of the freedoms and of the peace, the only formula capable of effecting change with security in Spain.

9746

CSO: 3110/171

## AP'S FRAGA HOPES TO TAKE LEAD FROM PSOE'S GONZALEZ

Madrid DIARIO 16 in Spanish 28 Jun 82 p 3

[Article by Justino Sinova]

[Text] These are euphoric times for the ranks of the alliancists. With the right as their banner and without pretenses, the men of Manuel Fraga are preparing for his definitive ascendancy. According to their predictions, we are heading for a bipartisanism with Felipe Gonzalez and Fraga as the ultimate leaders. But the latter is not resigning himself to being "simply" in the opposition.

For the first time since the birth of the democracy, the undisguised right is clearly displaying symptoms of the morale of victory. There is a highly revealing indicator: the attitude of the inscrutable leader of this right, Manuel Fraga, who, never one for effusive remarks, now seems to be optimistic, very animated, almost exultant.

Up until now the right was considered an undervalued option before the predominance of the centrist platform, which was in many aspects similar to it. But now it has awakened, and according to its own promoters has grown tremendously as an electoral option.

Several circumstances have contributed to this phenomenon, which undoubtedly will be one of the most important in the coming months. In the first place, the collapse of the centrist party, which will send back over to Fraga's right many of the votes of those who saw in the UCD [Democratic Center Union] a moderate rightist electoral platform.

Secondly, the right appears to have lost--or at least is on the verge of doing so--its strange complex of dissembling, which led many to use political euphemisms for their true positions. Those going from the UCD to the AP [Popular Alliance] are going to adopt the new surname without any fear of the image. The simple act of losing fear of the name and presenting itself exactly as it is, undoubtedly helps the right's image.

But above all, the right is reorganizing itself for the practical issue of political survival. For the first time the right has seen that there is a real



danger that the PSOE [Spanish Socialist Workers Party] will dominate the next general elections in the fall. The right is reacting in the most coherent way possible, grouping together and preparing for the political fight.

### History Repeated

A phenomenon of focus is being produced in the Popular Alliance very much like the one that gave rise 6 months ago to the Democratic Center Union. Now different conservative parties are grouping together under the personality of Manuel Fraga, just as they did then under the baton of Adolfo Suarez, which is going to lead to a new political confrontation between two men who long ago embarked on the same mission. Manuel Fraga was not a collaborator for Adolfo Suarez's triumphant UCD, but rather frequently an enemy to combat. For the new victorious coalition with Manuel Fraga at the head, the new leadership of Adolfo Suarez, which he is preparing now, will be an obstacle to overcome.

Suarez may arrive late to challenge Fraga for the political opening. The AP has a strong lead in its process of joining forces together, and Suarez has virtually not yet begun to quit the UCD in order to salvage the remains of the wreck. The impression given is that the right has everything going to win this round.

It, therefore, appears that the visible head of the opposition to Felipe Gonzalez, if no one prevents it, is going to be Fraga. And as things appear, it seems that we are destined to have a bipartisanship which pits Felipe Gonzalez's PSOE against Manuel Fraga's AP, with a few minor parties as extras, one of which will be that of Adolfo Suarez.

What remains to be seen is where each one of the two principal leaders of Spain's politics will end up. If we believe the latest predictions, Felipe Gonzalez will be the president of the government and Manuel Fraga the opposition leader.

### Fraga to Power

But this balance does not enter into Fraga's plans.

The rightist leader finds himself with so much political ambition, he estimates the right's potential to be so high that he does not feel it is enough to aspire to the opposition leadership, though it represents an extraordinary advancement over his current political position. What Fraga is attempting to win with the strategy now in progress, is the presidency of the government.

It is this feeling--the possibility of reaching Moncloa--which motivates the Fraga formation. That is why efforts are being made to expand the coalition, to weaken the other competitors from the right (Fraga is especially tough when he speaks about Adolfo Suarez), to save valuable politicians even in reserve (as in the case of another Suarez, Fernando, already fully integrated into the AP apparatus), and to obtain a strong base of economic support.

And, for the moment, all is going well for Fraga. Several hundred people knock on the doors of the Popular Alliance every week to join and there is money in abundance; a lot of money to put the right afloat again. Everything is shaping up so that the next electoral battle will have a well-defined bipolarity. The resurgency of the right seems to be in earnest this time.

9730

CSO: 3110/177

## AUTHORIZATION LAW ADOPTED BY CONSULTATIVE ASSEMBLY

Istanbul CUMHURIYET in Turkish 3 Jun 82 pp 1, 9

[Text] Ankara (CUMHURIYET Bureau)--The consultative Assembly has adopted the draft "Authorization Law" concerning the reorganization of the duties and powers of the public institutions and establishments. In a short speech after the adoption of the bill, Deputy Prime Minister Turgut Ozal thanked the members and said: "We will endeavor to bring about a good, realistic, practical and workable reorganization."

In accordance with the changes made in Article 1 of the bill, the agricultural marketing cooperatives and their branches will be subject to the provisions of the law. With another motion tabled, the offices of the president and the chief of the general staff, administrative institutions of the legislature, the personnel of the law courts, the court of accounts and universities are excluded from the law. Motions for the inclusion of the Ministry of Justice in the exceptions and the exclusion of trade organizations, which have the character of public institutions, from the scope of the law were rejected. According to ANKA [Ankara News Agency], trade organizations that come under the law are the following: Associations, chambers, Turkish bar association, Turkish physicians union, Turkish pharmacists union, Turkish veterinary doctors union and the agricultural marketing cooperatives and their branches.

Speaking on Article 1 titled Aims, Bahtiyar Uzunoglu demanded the exclusion of the trade organizations from the scope of the bill. Uzunoglu said that if the article is adopted in its present form, a segment of the trade organizations, which have the nature of public establishment, will come under the law and another segment will not. He noted that this will lead to a contradictory application of the law. The contingent member, Tulay Oney, said she too is against the KIT [State Economic Enterprises] coming under the provisions of the law.

The Consultative Assembly then began debating Article 2 of the bill titled scope. With an amendment made to this article, the government will be able to make immediate changes in public institutions regarding their organization, duties, powers and staff. With the amendment widening the scope of the law the government is empowered to reorganize the agricultural marketing cooperatives, their branches and audit committees at all levels.

During the debate, Minister of State Turgut Ozal said: "If need be we will reorganize the structure of personnel." In his speech, on the other hand, Minister of State Ilhan Oztrak said:

"We will reorganize the structure of personnel one time only. Once the legislature approves the administrative decisions, establishment of new posts is impossible. There will be no more reorganization of posts by administrative acts."

With a change made to Article 3 of the bill, all personnel, whose titles and ranks are to change as a result of restructuring, shall be entitled to the same vested rights, salaries, raise levels and to all the raises and compensation rights in their new posts and during the period of their promotion.

Article 3 of the bill titled principles, contains the following provisions:

"In exercising its authority, the Council of Ministers shall run those public services, which should be administered according to the general administrative principles, through the office of the prime minister, ministries and their departments. The restructuring and organization of the ministries shall be based on the principles of work sharing and coordination in the public service, on preventing wasting of resources by running a service through a single establishment or unit. The offices of undersecretaries and general directorates of ministries, with the exception of those ministries of state and deputy prime ministers' offices, shall be reorganized in accordance with the authority given to the Council of Ministers. An order in council shall be valid to establish independent department heads within the structure of the ministries. The central, rural and external organizations of institutions and establishments shall be restructured to achieve standardization in titles, ranks and hierarchy, with the proviso that all necessary differences created by the nature of their services be preserved. In the restructuring and reorganization of KIT, in addition to the above principles, the need for their services, their contribution to the economy, productivity and profitability shall be taken into account.

"In the process of restructuring the basic rules, establishment of departments and the duties and powers of trade organizations of public institution nature and agricultural marketing cooperatives and their branches, the principle of safeguarding these organizations against all kinds of harmful political currents and purging them of any political influence shall be kept in mind."

Article 4 of the bill, concerning the authority to be given to the Council of Ministers by the law during the first 18 months from the date of enactment, has been adopted without any change.

The law, together with the new changes concerning the provisions relating to the personnel, ranks, titles and personnel benefits, shall be effective as of 26 February 1982.

The Consultative Assembly then approved the bill as a whole. In a brief speech after the adoption of the bill, Deputy Prime Minister Turgut Ozal thanked the members. He said: "We will try to achieve a good, realistic, practical and workable reorganization." Stating that in this process the views of the members will be taken into account, Ozal said: "If the bill gets the approval of the MGK [National Security Council], I hope we shall be able to work in the direction of those wishes."

## CIVIL DEFENSE LEADER OPPOSES GOVERNMENT DEFENSE POLICY

Hamburg DER SPIEGEL in German 9 Aug 82 p 49-54

[Unattributed article: "All Waste Paper ?"]

[Text] SPD arms critic Oskar Lafontaine is blasting FRG defense policies once again--this time in his capacity as president of the "National Association for Self-Protection."

Social democrat Oskar Lafontaine considers the West Germans' chances of survival in a nuclear exchange to be zero. "In case of war" he predicts the "certain death of the population."

Lafontaine, a trained physicist who was elected to membership in the SPD executive committee last April but has continued to criticize the NATO dual resolution, the majority in his own party as well as chancellor Schmidt, feels that nuclear power plants, too, pose a danger of certain death. "It would take just two or three bombs on operating nuclear reactors," he says, "to make Germany uninhabitable."

As a consequence, Lafontaine persists in calling on the government "to stop building more reactors" and to engage in "concrete" and even "unilateral" disarmament. Neither the Pershing 2, nor the cruise missiles are to "be deployed" in the FRG and existing nuclear weapons should "disappear."

Within his own party--where a majority is in favor of the NATO dual resolution--Lafontaine's theories and visions of death have met with overwhelming disapproval until now. "Under Helmut Schmidt," Lafontaine has said, "these goals are unattainable."

For this reason, the doomsday prophet has been criticizing West German defense policies from outside the SPD of late. The forum he has chosen for his attacks on the chancellor and on modernization is a post to which he was elected by the conference of mayors in 1978: the presidency of the "National Association for Self-Protection" (BVS).

But Lafontaine may run into trouble in the BVS just as he did in his own party. As it happens, the association, with its 1,000 permanent employees and about 10,000 volunteers, which will receive DM 55 million in taxpayers' funds from the government this year alone did not call for the prevention of war until recently but for preventive measures against a nuclear strike.

Almost everything in the way of background material which the BVS puts out and which Lafontaine has called a "one-sided presentation of war" might easily turn into waste paper in view of the political outlook of its present chairman. The BVS, financed by the federal government, the Laender and the major community organizations, has concentrated until now on providing the West Germans with advice on self-protection in order to raise their hopes of survival in a nuclear war. But Lafontaine, for his part, is fighting the good fight against armaments and the modernization of same because he considers these very hopes to be humbug.

The BVS is distributing brochures by the millions which tell people what to do in case of a "surprise attack with nuclear explosives." They are instructed to "turn away from the bright light and throw themselves on the ground" using "any type of cover available—ditches, apartment doors, building entrances, walls." Then, they should "press the face to the ground, pull clothing over the head and place bare hands underneath the body." The final piece of advice is to "stay under cover for at least 90 seconds" and "to smother burning articles of clothing by rolling on the ground."

The promise of government subsidies and tax breaks is to encourage the citizenry to build shelters in order to protect themselves against the "effects of a modern war."

BVS folders inform the reader that "chances for survival even in the nuclear age can be appreciably enhanced by the construction of bunkers." And on page 5 of the "primer on shelter construction, it says: "Of course there is no way of protecting oneself in the immediate impact area" but there is "on the periphery of destruction." In words of one syllable: "No other installation affords greater protection and security than a shelter area in case of war."

In its house organ, ZIVILSCHUTZ-MAGAZIN (Civil Defense Magazine), and elsewhere BVS has cited as a star witness nuclear physicist and philosopher Carl Friedrich von Weizsaecker who has built an atom bunker in the garden of his house on Lake Starnberg.

Weizsaecker is quoted as saying that he believes that a future war will involve "limited use of weapons" combined perhaps with "tactical use" of smaller nuclear weapons. "All wars of the past several decades," he says, "have been fought with limited weapons in limited areas." And since they might help after all in such situations, he advises the Germans to build bunkers that afford "so-called basic protection as for instance against rubble, fire and radioactivity as well as B and C weapons."

Whether one thinks of it as an optimistic figment of the imagination or not, BVS president Lafontaine wants nothing further to do with established BVS philosophy and has now announced a radically different BVS self-image. "In the West European context," he says, "I cannot see any geographic limitation to war, nor a limitation on the types and numbers of weapons. I am inclined to go along with those who say that concrete in and of itself will not insure survival in case of nuclear catastrophe."

And so the president has set an example for his association to follow. "I am not building a bunker for myself," he says.

In view of the obvious discrepancy between BWS philosophy and the views of its head, CDU Bundestag deputy Hans-Joachim Jentsch, the civil defense expert of his fraction, has called for Lafontaine's "immediate resignation" from the presidency of the organization. In view of his "repeated statements concerning the NATO dual resolution," Lafontaine "is no longer qualified to hold this office," Jentsch said. "In fact, his standing at the head of this organization is almost intolerable."

Nonetheless, Lafontaine was confirmed for another 3 years in his post at a meeting of the members last November—with the CDU Laender representatives voting against him. At the time, Lafontaine himself was heard to muse whether "it might not be better for someone else to take over."

But today Lafontaine thinks differently. "I said to myself that in this job perhaps more than any other I would be able to do most to enlighten people. If you are serious about civil defense, you have to deal with the root causes of potential wars and not simply limit yourself to debating what measures to take under a worst case scenario."

For this reason, civil defense Lafontaine-style sounds something like this: "If the government says we have to build more reactors and continue deploying nuclear weapons, then I, as the president of the Association for Self-Protection, am substantially at odds with the views of this government."

And Lafontaine makes no bones about what he thinks the "primary task of BWS" should be. "It is to educate the public on the risks and by doing so, to contribute to a reduction of these risks."

Nonetheless, as a sideline the association should assist the public on bunker construction because "civil defense pays off even if only one single human life is saved." But Lafontaine thinks such protection makes sense only in case of possible accidents. "One must consider the possibility of a bomb going off by mistake," he says. "Then there is no holocaust. Then there is a chance of survival other than at the accident site."

9478

CSO: 3103/628

## NEED FOR LONGER SERVICE, WOMEN SOLDIERS QUESTIONED

Hamburg DER SPIEGEL in German 9 Aug 82 pp 19-21

[Unattributed article: "Military Service: 'We Will Have a Plateful'"]

[Text] Inside the coalition, resistance is growing to plans by Defense Minister Apel to lengthen the term of military service and to bring women into the Bundeswehr. The critics are afraid that even more turned-off young voters might drift into the camp of the Greens and the Alternatives. They are calling for a new NATO formula.

The two of them agreed on the telephone to meet in the chancellor's bungalow immediately after the summer vacations. Helmut Schmidt and Hans Apel, his defense minister, are intent on defusing a new conflict between the cabinet and the fraction before the parliamentarians return. "We will certainly have a plateful," Apel said.

All too brashly and without sentiment for the grumbling in the SPD and FDP ranks, Apel confronted the long-suffering parliamentarians who had just gone through the budget and coalition change fights with the report prepared by his long-term commission shortly before the vacation season began.

"I believe there is no way around extending basic training," Apel said. And as for women only a very few of them have heretofore seen service in the Bundeswehr as doctors, the minister flatly said: "We will have to look into the question to what extent and at what expense women volunteers might be used in non-combatant roles in the armed forces."

Then he went on a sailing vacation to the Baltic. His Bonn office was under strict orders not to disturb him except "in case of extreme urgency."

The ones who are under fire are the parliamentarians returning from their vacation. In their election districts, they not only have to answer the questions of the unemployed and the pensioners who ask why the socially weakest of all people are being hit hardest by the economy measures of the socialist-liberal coalition. Now there are also more young people wanting to be heard. They want to know why women are supposed to don uniforms and why men are being told to serve 3 months longer than heretofore.



More clearly than just a few months ago, the deputies are discovering how right Commissioner for the Armed Forces Karl-Wilhelm Berkhan was to warn them during the debate on his annual report in early June that there is a growing tendency among young people "to keep their distance from the Bundeswehr and from military service as such." If the SPD and the FDP come out in favor of putting women into uniform and extending military service, the politicians fear that even more young voters might drift off into the peace movement and the camp of the Alternatives.

For this reason, SPD security experts are for holding a public hearing by the defense committee as soon as possible. On the women soldier and longer military service issue testimony is not only to be offered by generals and top officials of the defense ministry but also by peace researchers and civilian experts who doubt the good sense and need of Apel's plans.

The liberals and the Christian Democrats as well are prepared to support the SPD call for a public hearing. FDP defense expert Juergen Moellemann would even go further than that. "We would like to see an independent commission of experts created that is responsible to the Bundestag," he says, "even including experts who have made a name for themselves by putting forward alternative proposals."

"One would have expected Apel's commission to look for new departures," Moellemann adds. "Instead, the result of this exercise can be summed up in one sentence: everything will stay as it was."

The SPD weekly VORWAERTS, published by Egon Bahr, used even sharper language. Reading the Apel report, one gains the impression, the weekly concluded, that "motivation and quality of the Bundeswehr" are "characteristics to be dispensed with" but that "sheer numbers have turned into a fetish."

Apel has himself to blame for this harsh critique. He cannot pin the blame on his military and civilian officials as he did in the case of the "Tornado" scandal when he said: "Why didn't anyone warn me?" The latter, as it happens, were ready and willing to follow Apel's orders to leave the NATO doctrine and the strategic plans of the alliance untouched as they went about preparing their report.

But if these taboos remain taboo and if the "present-style Bundeswehr," as Apel put it, is to be retained, then women will indeed have to don uniforms soon and young men will have to spend 18 months instead of 15 in the barracks although they don't even know today how to kill their time there.

Starting in 1984, the number of recruits will decline each year. Soon, the low birth rate years will no longer be able to provide the requisite number of 200,000 to 225,000 Bundeswehr recruits annually. By the end of the eighties, even if married men, men with flat feet, bad eyesight and curvature of the spine are conscripted—which present plans already call for—there will still be a shortage of personnel.

And that can only be offset, Apel thinks, by bringing in 25,000 women soon and by lengthening the term of military service.

If the minister holds to this view, time will be of the essence. If women are really to be inducted into the Bundeswehr—as the commission's list of recommendations reveals, which Apel did not make public—the question of how to use them will have to be studied; housing and sanitary facilities will have to be built for them and uniforms will have to be designed for them. All these things will have to be decided on by 1982/83 at the latest.

As for the extension of military service which calls for an entirely new training organization and a new training cycle, the commission says this will have to be on track by 1984/85. The members of the commission agreed to this late date only at the urging of the minister himself. They had originally called for a 1983/84 date.

The fact that the defense minister did not want them to touch upon NATO strategy and Bundeswehr strength was perfectly all right with the generals and the top officials who made up the commission. They were able to follow customary procedures and use as their base what they take to be "firm numbers."

But in the meantime there are many deputies who view these numbers as variables. NATO document MC 55/1 may call for 500,000 Bundeswehr soldiers—but not as an obligation but as a demand. The actual figures, in other words, are negotiable within the alliance.

The 500,000-man guideline only applies to the existing NATO plan for that matter. For more than 10 years, NATO planners have assumed that the East is in a position to mount a major offensive in the space of 48 hours. Given this brief advance warning, the West, it is said, must have forces "in being" at its disposal; they should not have to be brought up to full strength by general mobilization.

But in the meantime, reconnaissance via satellites and by electronic means has markedly improved. Advance warning time will be increased still further by the Awacs early warning system with the help of which NATO will be able to see 450 kilometers far into the East bloc in the future.

Nonetheless, the conservative military men continue to hold to their 48-hour fiction. They cast doubt on the finding that military units can be brought up to strength with reservists in case of emergency and prefer to stay with the old adage that the troops must stand ready at all times.

But parliamentarians like Moellemann or Erwin Horn (SPD), deputy chairman of the defense committee, believe that it makes good sense to bring permanent army and air force units up to strength with reservists in case of emergency.

Under those circumstances, the government would no longer have to worry about putting women into uniform and extending military service. Given a Bundeswehr strength of 400,000 men to which 100,000 reservists could be added within 48 hours in a crisis situation and which could be increased to 1.2 million men within 7 days in case of war, conscripts would have to serve for no more than 15 months, experts say. The existing state-of-readiness concept is meaningless anyway, Moellemann thinks. "There already are units today which could not be committed to combat because they lack conscripts," he says.

Brigitte Traupe (SPD), the budget committee member responsible for the defense budget and feared by the defense ministry because of her expertise as well as her sharp tongue, advised the military months ago to ponder on the idea of "small is beautiful."

There is another point that speaks for the critics of Apel's plans. Even now the conscripts are not fully occupied during their term of service with positive thinkers among them complaining more and more about loafing in the army, as the Commissioner has found.

One of the soldiers, Berkhan said, had actually worked only 8 hours and 45 minutes out of a 36-hour work week, he told him. Other soldiers, tired out from cleaning their quarters three times daily and from maintenance and guard duty told Berkhan of similar experiences on his visits to the army camps. "There were days—in some instances even weeks—when there was nothing worthwhile to do," they said.

But Berkhan's proposal to make the work schedules "more interesting" and "to create more free time" doesn't even stand a chance in theory. The Bundeswehr does not have the officers and non-coms it would take. At present, 20,000 non-commissioned officers' posts are vacant.

As it was, Hans Apel brushed Berkhan's advice aside in his customary brash manner. "Loafing," the minister said, "is a collective noun that stands for a great deal that simply is a part of Bundeswehr life. After all, we are dealing with a state-of-readiness type of army. The Bundeswehr is not the place for a great adventure each and every day."

But Berkhan did not give up that easily. If one does not succeed in removing the soldiers' doubts as to the deeper meaning of their service, it will be difficult, he said, to offer a convincing explanation to society about why even longer military service is needed.

When debate begins in parliament in September, Hans Apel will have to come up with some new answers.

The chancellor intends to help him think. After all, when Schmidt himself was defense minister in 1972 he cut military service from 18 months to 15 against the generals' wishes—a step that was hailed by his party and the voters.

9478  
CSO: 3103/628

## TACTICAL, TECHNOLOGICAL ISSUES AFFECT FUTURE ANTITANK WARFARE

## Interview With Army Aviation Commander

Paris AVIATION MAGAZINE INTERNATIONAL in French 1-14 Jul 82 pp 18-19

[Interview by Serge Brosselin with Army Light Aviation Commander Brig Gen Herve Navereau: "Coordination of Helicopter and Airplane Use Is a Formidable Problem"; date and place not given]

[Text] [Question] General, the European theater of operations could certainly be considered perhaps the most complex in the world at present. There is, of course, the phenomenal density of the armaments deployed in it, but also the very high sophistication of the weapons systems involved. As regards your command, can you describe this theater for us succinctly, as it is, and especially as you see it evolving in the next 10 years?

[Answer] You are right in saying that this theater of operations is certainly among the most complex, and I do not see what could decrease this complexity in the future: I believe that we are still going to find in the field tomorrow a large mass of tanks, we are going to find extremely complex weapons systems, we are going to find a density of antiaircraft weapons that concerns us directly in the ALAT [Army Light Aviation], dense signaling systems and electromagnetic-decoy systems, and we are also going to see obstacles of all kinds appear, not to mention nuclear or chemical weapons. In other words, the field is going to be difficult, and it is going to be necessary to "pass" through this complexity in order to manage to wage combat. This is my feeling. In the coming 10 years, the complexity, sophistication and increasingly technical character of weapons systems will only augment our difficulties. Therefore I think we are going to be confronted with something formidable, in which the helicopter will be less vulnerable than systems such as airplanes or tanks may be--systems that are "well-situated" on the battlefield--since, in effect, the No 1 quality of the helicopter is that it is very hard to catch, just as a fish in water can be. And here we come to a definition of what I call the "land sky."

[Question] Just where do you situate yourself between sky and land?

[Answer] We are not an air force in the generally understood sense; above all, we are an integral part of the Army. The ALAT is in fact a means of vertical extension of land combat, it is land combat at 250 km per hour, and it is for this reason that I introduce the notion of land sky, for this land sky is truly what puts us between the ground to which we are connected by the combat and the natural obstacles on the terrain that the high-voltage power lines constitute.

Our sky is therefore extremely limited, actually. It presents us with a great many difficulties, of course, but it also offers us protection, possibilities of defilade. The helicopter has a single virtue--that which is represented by the possibility of setting down, of navigating, 1 meter from the ground--half a meter, even--and in fact, our land sky is what enables us to maneuver and what protects us at the same time, because--let us not forget--the helicopter is integrated with the ground.

[Question] In case of conflict, it may be supposed that you have in mind at least two major types of possible posture. The allied forces have mastery of the sky--and that, I suppose, does not pose any excessively complex operational problems to you; but it is your reflections on the second alternative that interest me. Do you consider that the combat helicopter would be capable of carrying out its mission if the forces of the Alliance were to lose this mastery of the air?

[Answer] Mastery of the sky is a notion that immediately follows from what I just told you concerning the land sky. The virtue of the helicopter is that it can be in the lowest strata and can be in the terrain. The ALAT combats in the terrain. This is a paradox, but that's the way it is. As for mastery of the sky, then, we have already studied this problem by pitting helicopters against fighter planes, interceptors, and it emerged that it was enormously difficult for the fighter to manage to down the helicopter, because the helicopter is above all a very mobile, changing vehicle, easy to maneuver and not falling into the trajectory of jet planes. Consequently you see clearly that here too, we have the advantage, in the land sky, of all the defenses offered us by the terrain, the vegetation--at the limit, even by urban environment. Mastery of the sky therefore cannot be considered in its classical acceptance. This being the case, it is obvious that I would not go so far as to say that helicopters are invulnerable, but their vulnerability has a different form, inasmuch as we are threatened first of all by ground fire, and we become vulnerable especially to armed helicopters. Here we are confronted with a phenomenon that is developing very fast and that concerns us enormously. When one sees the rate at which the Soviet machines are coming out, the sophistication of the American machines, the Mi-24 or the AH-64, which are in fact veritable flying fortresses, in the sense that these systems are capable of transporting fantastic armament--that is where our danger lies. Here we get into the dangers of the land sky, the aerial enemies in the land sky. This is an entirely different notion, and all the problems connected with this new form that the threat is taking are already preoccupying us. It is one of our major preoccupations for the future.

[Question] Since you are taking up the problems of combat, it seems that on the tactical level, we have not made the same choices as the FRG forces. To simplify matters, let us say that the Bundeswehr seems to adhere to the idea of employing multipurpose helicopters, at least in the medium term, whereas France, for its part, seems to consider it more effective to have a particular type of helicopter suited to a very specific mission. In other words, an anti-tank helicopter would be accompanied by a helicopter for antitank-warfare protection. Does this perception of the concepts seem exact to you, and if so, what, in your view, are the advantages and disadvantages of the two approaches considered?

[Answer] Here you are taking up a problem that is dear to the French ALAT--the multipurpose character of the machines. I was just saying that it was formidable to see machines coming out that are so girded with armaments as the machines of the Mi-24 or AH-64 type are; one perceives quite clearly that these machines are aiming at a certain multipurpose character, and this character should increase, in view of the growing sophistication that the nighttime-visualization, night-firing and navigation systems will certainly benefit from.

The phenomenon that we have to fight against fiercely in France is the one relating to mass, to weight distribution, and especially to costs. When you introduce on board a helicopter the sophistication imposed by technology, you inevitably increase the weight, and in doing so, you make monsters that are not combat machines in the operational sense of the term. That is why we are resolutely opposed to going multipurpose and prefer rather to seek light, simple, hardy helicopters, but helicopters that are nevertheless technically significant and financially accessible. We are, it is true, devoted to a single-function machine, and the example of this is the Gazelle-Hot, with which we are fully satisfied, for it is a perfect machine.

[Question] What does one mean by "perfect" when one is the commander of the ALAT?

[Answer] Here is a machine that is simple, weighs no more than 1,900 kg loaded; can stay out for 1 hour 30 minutes, flies at 250 km per hour and carries out its mission perfectly well. In the future, we would not want the support helicopter or the antitank helicopter of tomorrow to get into excessive tonnages but rather to remain in the range of 3.5, even 4 tons, but not more than that. In the same way, our position on the medium helicopter is to avoid building machines on the order of 10 or 12 tons, as the Soviets tend to do, but to remain within distinctly lower weight frames, in the neighborhood of 6, 7 or 8 tons, as you find in machines of the Puma type--machines that prove to be simple and integrable in the terrain. The fact is that one can really maneuver well in the terrain only with Gazelles or Pumas, and one will maneuver far less well with enormous machines of the Super Frelon type, which are far heavier to maintain and which finally appear in the field as more or less well-adapted to the mission.

[Question] In the near future, mission slots defined in coordination with the A-10 machines or those intended to make use of the future Wasp, Copperhead and Assault-Breaker systems will be associated with the AH-64 or Cobra helicopters. In the same line of thinking, how do you see FATAAC [Tactical Air Forces] and ALAT coordination evolving for the antitank-warfare mission?

[Answer] I would like to make two remarks. The problem of coordination, we are convinced, is a formidable one. It is so, if one thinks of the battlefield complexity that we were referring to at the beginning of this talk. We are presently carrying out--but we have always done so--studies with the artillerymen, the fliers, the ground-to-air artillery, the various operational units, to try to see clearly in this whole matter. But the second observation that seems to arise--and one that relates to what I said earlier concerning the difference between the Air Force's combat and the Army's combat--is that we should not im-

pede the aviators too much, since we are in the terrain. In effect, in view of the fact that our action is at ground level, in compartments of terrain that the command is perfectly well-acquainted with, coordination is relatively simple. As one knows, a helicopter regiment is engaged on behalf of one division or another in a precise sector, and consequently, the air support that is called for will be delivered to the side, ahead or on the left flank, and so there are perfectly well-defined zones of impact. In a small compartment of terrain, though, there may be confusion, or more precisely, superimposition of the actions of the Air Force and of the ALAT. So here, it is true, there is a problem of coordination in "work times," a problem that remains to be defined. This being the case, we should be able to find the solution. What is formidable, indeed, is the confusion that can arise in detection of a helicopter, for it becomes necessary to distinguish, in the extremely low land sky, whether the helicopters detected by the artilleryment just above the trees belong to us and are on the way to carrying out a mission, or whether they are enemy machines arriving, or friendly helicopters returning after carrying out one mission or another. All this in fact appears very complex.

[Question] Here you raise the crucial problem of identification. In your view, then, does the future of short-distance friend-or-enemy identification lie in optronics or the IFF [Information Friend or Foe] systems that are currently being worked on?

[Answer] For the time being, it is necessarily IFF. It will doubtlessly be optronics tomorrow; furthermore, we are now managing to put more and more technology on our machines, and there is no doubt but that optronics will certainly have a larger and larger part in it.

#### Helicopter Seen As Best Method

Paris AVIATION MAGAZINE INTERNATIONAL in French 1-14 Jul 82 pp 20-25

[Article by Serge Brosselin: "Antitank Warfare in Europe--Reflections in All Directions"]

[Excerpts] Antitank warfare, as it is almost a commonplace to say, is one of the priorities that the general staffs are concentrating on--both those of the Atlantic Alliance and those of the Warsaw Pact. The purpose of the present inquiry is not to deal with this subject exhaustively (which would take a great many pages) but rather to present the broad outlines of the problem, as they are perceived on the Western side and as one supposes they are grasped on the Soviet side. In order to throw light on these various points, the present inquiry includes an interview with General Navereau, who, as commander of the French ALAT [Army Light Aviation], explains all the difficulties of the mission and expresses his feelings about the present and future tactical concepts of antitank warfare, and an article presenting the situation from the purely operational and technical angle through certain choices made with regard to the weapons systems.

The figure of 55,000, well-known to the specialists and eloquent in its bluntness, hardly lends itself to exegesis. And for good reason: it represents the number of heavy armored vehicles at the disposal of the Warsaw Pact forces. And if one is to credit a report prepared by the French intelligence services, then taking all vehicles together, the Atlantic Alliance forces could be confronted with more than 110,000 Soviet and satellite-country armored vehicles in the event of conflict in Europe. Now if there is one sector (and certainly the only one, quantitatively speaking) in which NATO is especially well-prepared to face the Soviet threat, it is precisely the antitank-warfare sector. Consider the fact that, taking all versions together (transport, logistics, tactical, antitank, protection), the Americans alone can pit 9,500 helicopters against the roughly 4,200 of the Soviets.

According to quite recent figures communicated by a French specialist on combat helicopters, the Atlantic Alliance even has an advantage, on both the technological level and that of volume of armament, that enables it to envision the outcome of an antitank battle with relative confidence. The tactical data presented here are based, of course, only on the parameters associated with a conflict of conventional type; the various scenarios imaginable that would take the eventuality of use of tactical nuclear weapons into account obviously fall outside the narrow framework of this study.

There should hardly be any disputing this assertion, after all, since the Soviets themselves consider that one of the West's strong points lies in its capacity to destroy the Pact's tanks. While the totality of NATO's range of antitank weapons systems inspires a certain fear in them, it would seem nevertheless that in the immediate future, their priority objective consists mainly in providing themselves with the means for countering the threat leveled against their forces by the impressive firepower of the American and West European helicopters.

If one credits the point of view expressed in Soviet publications by high-ranking officers, one of the most complex problems that the Warsaw Pact command has to solve lies in the difficult coordination among infantry troops equipped with ground-to-air systems for designation of targets maneuvering on the battlefield. This opinion is shared by a French expert, who sums it up in these terms: "The Soviets are positive that NATO, in this very specific sector, has sufficiently powerful means to ensure its superiority in the theater of operations." This same specialist considers, though, that the favorable situation in which the Alliance finds itself could, without actually being reversed, be partly modified in the future, in view of the fact that the main threat to the helicopter will be the helicopter itself, and the rate of production of the Soviet Mi-24 Hind combat helicopters is estimated at 1,000 per year.

It is possible today to form quite an exact idea about what the antitank warfare of the future could be, though this view is not shared unanimously by the experts. Indeed, one of them whom we happened to meet with considers first of all that, furthermore, the military do not know very well at present how to enable helicopters to fire at night. This point of view would seem to be backed by the director of the American AH-64 Apache program when, on a more general level, he wonders how one should best set about integrating the helicopter into maneuvers. It is logical to think that this question could be raised only because the user poses it to himself.



Apart from these reservations, it can be said in a general way that antitank combat is perceived in terms of "slots," each of them being associated with a notion of distance of action. Thus, for example, the American concept of antitank warfare is articulated around the development of several types of weapon system.

#### A Difficult Environment

While the American weapons systems are practically the only ones to "occupy the terrain" over distances of action between about 10 and 100 kilometers, this position of technological hegemony appears to be disputed somewhat by the Europeans when the antitank means capable of being put into action under 10 kilometers are considered.

In the range between 400 meters and a dozen kilometers, European territory is literally being subjected to a veritable inflation of materiel. But it is also in this action slot that the doctrine of antitank warfare is perhaps tending most to evolve. In any case, it appears that it is certainly in this sector that the human element is called on to intervene most and that a judicious balance between static defense and dynamic defense is required from the outset.

For any military command, exact knowledge of the emplacement of the enemy's antitank means is the sine qua non before any commitment of forces. These emplacements are, of course, a function of the nature of the terrain, and in this regard, it is logical to suppose that infantry troops equipped with antitank weapons will try to occupy positions enabling them to take best advantage of the weapons systems at their disposal (ridge lines, edges of wooded zones, etc). Starting from that, it is relatively easy for the enemy to do a precise localization of the sectors of high probability of presence of infantry, and therefore to deliver preparatory fire against those positions presumed to be occupied. Taking this element into account, and without, of course, going so far as to challenge the merits of use of antitank weaponry served by men on the ground--a great diversity of means put into action always tends to tie the enemy down--one might be led to reflect on the certain risks of vulnerability of a defensive system that inconsiderately "impairs" the effectiveness of personnel "rigidified" by the wearing of suits designed for nuclear, bacteriological and chemical protection.

More than in the past, the success of operations initiated in a modern war is entirely dependent on the use of human resources and materiel that have very high mobility. Only the helicopter is capable of providing this mobility in what General Navereau calls the "land sky." Better still, the helicopter is also called on to be a means of reconnaissance, both on the Western side and in the Warsaw Pact units. The Soviets, if one credits their publications, have indeed the intention of assigning them a relatively important role in this area.

If this use of the helicopter for carrying out that kind of mission were, of course, to be confirmed in the tactical forms currently envisioned, it would be somewhat disconcerting. Apart from the fact that aerial reconnaissance implies at least approaching close to the enemy formation, if not flying over it, it requires in principle the use of craft flying at speeds that have to be faster

and faster as the size of the craft increases. Of course, the probability of a helicopter's traversing the field of exploration of a radar on a fighter with "look down, shoot down" capacity is quite low, because of the enormous difference in the flying speeds of the two aircraft; but on the other hand, the possibility of the helicopter's being detected by an airborne alert platform remains quite great, because of the flying altitude assigned to that type of plane and the particular mode of functioning of its radar. Furthermore, two elements appear to confirm this hypothesis: first of all, the Soviet helicopters, because of their size, present quite a large electromagnetic signature--sufficient, in any case, to engender a "plot" by the current acquisition systems<sup>1</sup>; and in the second place, even if the eventual use of composite materials (pulse traps) can constitute a partial response to the problem of detection, there is on the other hand another problem indisputably more difficult to solve--the one related to the Doppler effect engendered by the rotation of the blades. And the airborne radars of the AWACS or Hawkeye type are designed (extraction of mobile echoes by elimination of ground echoes) precisely to detect anything that causes this Doppler effect.

Under these conditions, then, one does not understand very well what could lead the Warsaw Pact's military officials to envision the helicopter's being able to constitute a reliable means of reconnaissance, except perhaps for two hypotheses, which are fragile, to say the least: either they think they would win mastery of the air very quickly, enabling the Hinds and other Mi-8's to maneuver with relative impunity, or they consider that their electronic-warfare systems (barrage jamming, deception, network intrusion) are capable, over the entire electromagnetic spectrum, of outclassing the ones that the West has.

#### Toward a Mutation of the Helicopter

Apart from this digression, which is somewhat off the subject, the armed helicopter is nonetheless perceived, in the whole panoply of armaments, as the best current means of antitank warfare. This trend is certain to grow even stronger in the coming years, for two essential reasons. First of all, because of air mobility, the speed of deployment of antitank weapons systems--whether of a firing vehicle or an infantry-transport helicopter--proves in all cases faster than the speed of armored vehicles on the ground. On the tactical level, this advantage translates into the possibility thus offered to the command of modifying the density of the defenses at will in function of the evolution of the situation in the theater of operations. Secondly, the progress achieved in the area of acquisition, guidance and aiming systems (essentially, optronics) is going to make the helicopter even far more effective than in the past.

How, under these conditions, is the future combat helicopter perceived? Should it be defined in function of a mission that it is assigned to carry out, or on the contrary, should it be thought out anew in function of what the aircraft itself will be like? An eternal question. But it seems that in this case, the answer is all the less obvious in that not everyone agrees about the order of

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1. This remark does not necessarily apply to aircraft flying below a certain speed.

priorities. Finally, this problem is all the more complicated because more intensive integration of the on-board systems is inevitable and it is now going to be necessary to give the helicopter active or passive means that can improve its survival in the face of two new threats: the antihelicopter helicopter, and the future infrared-guidance missiles using band III--in other words, a whole set of modifications or improvements which, of course, will not fail to have a certain effect on production costs.

The officials of Aerospatiale's design departments consider that the helicopter will be specialized in the future, and that in function of that, it is out of the question for one to be able to install just any kind of armament on any kind of helicopter. The future systems will have to be designed so as both to be able to enjoy maximum availability and be capable of providing, both night and day, for the two essential missions, which are protective support and anti-tank combat. Now night flying actually means being capable of doing navigation in increasingly dark nights and perhaps even, in certain cases, flying faster and faster over the terrain at very low altitude. The corollaries of such requirements are well-known: as regards navigation, the solution lies essentially in the envisioned use of inertial systems (the Americans, for their part, can rely on the Navstar system), and as regards visualization, the answer lies initially in the use of fourth-generation microchannel light-amplifying binoculars that are soon going to come into use. In the view of the helicopter experts, though, this solution can only be a transitional one, for in the longer run, one of the specialists met with told us, there is no doubt that big progress is to be expected from the FLIR [Forward-Looking Infrared System] firing and piloting systems and, one could even add, from automatic target acquisition. The second subject for reflection, relative to optronics, concerns the image-restitution principle that it would be desirable to adopt. While, on this point, it seems to be granted that the best solution consists in projecting the image into the pilot's field of vision--as has already been done in the American PNVS system by Martin-Marietta--it is considered, on the other hand, that in the longer run more elaborate projection will be achieved, more flexible than this image, notably by providing for the addition of devices that make it possible to tie the movements of the camera to those of the pilot's head. In other words, the research being done in France is oriented toward the solutions already decided on for the future American AH-64 Apache helicopter, which amounts to saying that it is now impossible for the helicopter to be designed otherwise than around its weapons system.

#### France in a Good Position

France, which now holds a privileged position in the optronics sector, is currently developing systems that are going to broaden the possibilities of thermal infrared technology considerably. In the forefront of this battle, in which the French achievements are practically at the same technological level as the best American products, are the SAT [Telecommunications Company] and the TRT [Radio and Telephonic Telecommunications Co]. It is expected that the future developments in optronics will considerably modify the conditions of use of the helicopter. The cells used for the FLIR's currently measure 50 microns (side dimension). Although it is known how to produce 35-micron photodetectors, it is certainly from the next generation of so-called "focal stop" components that optimization of image quality is to be expected, since the future systems will

in effect have as many cells as image points. More generally, it is considered that the future of the means of observation is to be sought in development of equipment that groups different miniaturized and, of course, switchable sensors into a small volume.

The other major concern of the helicopter specialists concerns study of the various technical solutions that help to enhance the survival of the combat craft. Three main lines of study are being emphasized for this purpose. First of all, use of composite materials, which, by lightening the helicopter's mass, give it greater maneuverability for equivalent propulsive power, while at the same time diminishing its electromagnetic signature. Secondly, addition of a jet-dilution device, since study of the thermal-radiation curves, expressed in Watts/Steradians units, proves without the least possible ambiguity that this solution is far more effective than jet deflection for avoiding missiles with IR [Infrared] self-guidance systems. Finally, there is the apparent trend today in favor of installation of the observation system<sup>2</sup> in the axis of the helicopter's rotor. Although the choice of this solution has the consequence of affecting the craft's stability somewhat in certain flying maneuvers, it is considered nonetheless that the advantages that it offers--the helicopter can take far better advantage of terrain masks--are far more important than the lowering of performance characteristics that it engenders.

This concept, which in Europe has already been applied concretely in the Ophelia experimental system by the SFIM [Measuring Instruments Manufacturing Co], mounted on the FRG's Bo-105 helicopter, represents an important waypoint, of course; but for direct extension, it has to be associated with a "by the roof" missile-guidance system. Since firing from concealment is thus possible, the vulnerability of the helicopter carrying this system is thereby decreased.

If France should be forced to participate alone [as published] in development of the future antitank combat helicopter, it is planned to develop jointly, but with a slight time lag, a firing FLIR designated Portos and a piloting FLIR christened Aphrodite, with gyro-stabilization of the firing group assigned, of course, to the SFIM, a company that has acquired in this area a competence of the highest order at the European level.

For the immediate future, it is recognized that with the Hughes AH-64 helicopter equipped with TADS [Tactical Air Direction System]/PNVS [Pilot Night Vision System], the U.S. Army, which has decided to purchase between 400 and 500 of this type of machine, will be the first force in the world to have what can objectively be considered, on the level of systems design, at least, the archetype of the antitank helicopter of the next 15 years. Practically speaking, it can be said that all the characteristics and performance required for confronting the threat of tomorrow are grouped in this helicopter.

The principle decided on for guidance of the Hellfire missile (range of 6 to 7 km) with which it will be equipped makes use of the laser semiactive mode, with target designation achieved, as we recall, autonomously, by carrier-firer dissociation, and the builder even specifies that a mixing of these two types of

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2. An observation system is generally composed of a sphere containing an FLIR, a laser-telemetry device, and a TV camera.

designation is possible. In the case of grouped firing, assignment of the targets to the self-guidance system is done by use of different codes on each of the laser beams. We mention, nevertheless, that the Hellfire system was originally planned to be equipped with three interchangeable guidance heads; but the builder, Rockwell, has for unknown reasons preferred to opt for what can be considered a transitional system; in effect, there has not yet been a start on any application of the passive self-guidance solution. There also remains another question with regard to the AH-64: since the Hellfire missile can lock onto an alignment beam in a positive-difference-in-altitude situation, why hasn't the FLIR been installed in the axis of the rotor?

#### EMDG [Euromissile Dynamics Group] and the Future Antitank Missile

While the perfecting of power lasers is awaited, the missile remains the only possible means of extension for making best use of the future combat helicopters. The research aimed at improving its effectiveness are articulated along three major lines: obtaining greater speed on trajectory; raising the level of lethality of the charges (the antitank weaponry of the third generation is now taking into account the threat for the 1990's constituted by the new armoring of the T-72 and T-80 tanks); and finally, as regards the self-guidance systems, choosing, from among the various possible approaches, the one that seems best-suited, since, as is known, there are several options available.

The report on the range of technical solutions under consideration for the successors to the Milan and Hot missiles was submitted last December. The industrialists of the three countries (Great Britain, FRG, France) participating in the development of these programs and grouped within the EMDG consortium are now waiting for the definition phase to be started, with placing of the first of these missiles in service as of 1994. It is currently believed that the joint specifications of the three firms are tending toward adoption of these two solutions: as regards the long-range missile, the passive self-guidance approach would be taken, while for the medium-range missile, preference would go to a supersonic missile, with the guidance mode based on the beam-riding principle. This guide-beam type of guidance, new in its antitank applications, can be defined succinctly as follows: target illumination is done by a polarized ray, while the self-guidance system of the missile made to remain in this beam works out its own trajectory corrections itself, and the optimum trajectory toward the target corresponds to reception of a high signal intensity (which is maximum at the center of the beam). Aerospatiale will be assigned the prime contractorship for the successor to the Milan, and the MBB [Messerschmitt-Bölkow-Blohm] and British Aerospace groups will be assigned development of the long-range system--both the ground-to-ground version of the successor to the Hot and the one intended to be carried by helicopters.

It is further believed that three types of attack are envisioned for the target-approach phase: "by the roof," attack from overhead, and attack on dive.

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## GREEK AMERICAN UNION BUILDING TAKEOVER ENDS

Athens TA NEA in Greek 13 Jul 82 p 3

[Text] The teachers of the Greek-American Association [EAE] scored a rare record of takeover of a place of work in Greek syndicalist history. The EAE building is on Massalias Street. For 4 months the teachers succeeded in suspending the operations of EAE where more than 4,500 young men and women learn the American [sic] language [and according to charges from teachers, they are subjected to propaganda]. The long takeover which started on 16 March following a decision of the teachers general membership meeting meeting ended with a new decision of a special general meeting last Friday "because the strike and its continuation at the place of work has objectively ceased to serve the struggle of the teachers." At this moment the teachers who participated actively in the takeover are in the process of getting together the materials and turning over the building.

What were the demands of the EAE 75 teachers when they started 4 months ago on their marathon takeover? In a talk with Anna Apergi (chairman of the Teacher's Union), Georgia Papatheodorou (treasurer) and Marizo Konstantinidou (member), held at the EAE building we learned a great deal about the takeover and the reasons behind it.

Before we go into it, let us see what is the "identity" of the Greek-American Association.

The Greek-American Association was founded in 1957. It is a Greek "non-profit association" subject to the Greek laws on associations.

The EAE Board of Directors has 9 members (5 Greeks and 4 foreigners) and it is elected by 212 members of which less than 15 are American who elect 4 members to the Board. Chairman of the Board is S. P. Panopoulos an attorney and a legal advisor to the Public Power Corporation. The Board has two vice presidents. One of them is "the director of the United States International Communications Agency in Athens [USICA] which runs the Voice of America."

The Association has a 36 member administrative staff. By decision of the Board the staff is always headed by an American. He is paid by USICA and he is the second secretary of this agency.

The economic resources for the EAE operations come from the contributions of the members, the tuition paid by the approximately 4,500 students and the 30,000

dollars paid by USICA to EAE as rent for the American library owned by USICA and housed at the fourth floor of the EAE building.

#### Political Content

During the takeover, according to charges voiced 2 months ago in a press conference, papers were found in the building with political contents dealing with:

- a. Cyprus. "How we lost Cyprus," referring to the events of 1974.
- b. The social climate in Greece, which orients the youth to the left. "What can the Greek-American Association do to avert this turn to the left?"
- c. The entry of Greece into the EEC. "How does the admission affect the American economic interests?" and other.

The election of new members to the Board is done "in a somewhat strange manner." Every year the general assembly elects three out of nine members of the Board whose term expires. The latest EAE general assembly met at the USICA offices since the takeover was still going on.

"From the 4,500 students EAE receives more than 65 million drachmas annually. One average salary comes to 22,000 drachmas gross, with 24 hours of work weekly. The rise in salaries is miniscule. For example, a teacher with 3 years of work gets almost as much as one with 15 years experience. Since 1973, when we established our union, our first demand was to have contracts signed with the teachers and to have respectable salaries."

#### Strike

The above was stated by union President Anna Apergi to NEA. She gave us other useful data about the takeover. "Let us see how our strike started. In November 1981 we asked for a 35 percent raise. Negotiations started. The employer proposed 15 percent. After two or three meetings we went down to 25 percent while the employer went up to 17. The general meeting of the teachers [was attended] by 47, 46 to one. "A new meeting with the employer followed but nothing happened and on 1 February 1982 we decided to continue the strike indefinitely.

"After 7 weeks of strike we met with the vice-president who is also the USICA official. He told us 'EAE cannot meet its expenses and will not hesitate to close down the building as it happened in other parts of the world where similar problems emerged.'

"Several meetings took place. In one of them, the cultural attache of the American Embassy was present. When the teachers were threatened with dismissal and a suspension of EAE operations, we decided on 16 March with 45 votes in favor and 15 against to takeover the building--a takeover which lasted 4 months. During this militant mobilization two new demands came up: removal of the American diplomacy and para-diplomacy from the Association, and joint management of the Association [with the participation of the employees].

## Condemnation

"Time passed and eventually the EAE Board took to court the members of the teacher's union board charging violation of laws 330 and 334. We won with regard to law 330 (in the meantime the Chamber of Deputies have enacted law anti-330) but we were sentenced--the five members of the board--to 15 days in jail for disturbing the peace."

Speaking on the long takeover of the EAE building, the teachers who are also union members told NEA that they will continue their struggle in spite of the efforts of the Association's Board of Directors to slander it. They added that after a certain time they gained the support of the members of the administrative personnel union.

They emphasized that the "working people feel morally justified and victorious because they unmasked the secret role of this--ostensibly--Greek Association which serves like a slave the American Information Service."

In documents found in the EAE secretariat it is stated that the Association is an "internationalist center[?] Similar internationalist centers have been established by the American Information Service in all the countries of Latin America and the under-developed countries. Their objective is to pass on the propaganda of the Americans, but paid with the money of the natives!!

7520

CSO: 4621/459



GENERAL

GREECE

BRIEFS

NO ISRAELI SHIP BOYCOTT--The Greek ships can again go freely to Israeli ports following the end of the boycott yesterday morning. "We are not at war with Greece; on the contrary we wish to have better relations" said a reliable Israeli source to VRADYNI. The source added: "We decided to lift the boycott until 0010 hours Sunday (tomorrow) in anticipation of a similar gesture from the Greek side." As is known, almost from the beginning of the war in Lebanon several pro-government organizations were mobilized in the country's ports (along with the government's attitude) and until now continue to boycott Israeli ships. [Text] [Athens I VRADYNI in Greek 10 Jul 82 p 14] 7520

GREEK FLAG AT BASE--The Greek workers at the American base of Ellinikon have no intention to remove the American flag from the base headquarters. They only ask that the Greek flag is raised side by side as required by the international rules and as it is done in the bases of N. Macri and Gournes in Crete. The above is stated in an open letter addressed by the association of those working at the American bases to the American ambassador and the American officers and non-commissioned officers in response to a communication by the Ellinikon Base Commander F. Smith. [Text] [Athens I AVGI in Greek 14 Jul 82 p 1] 7520

WARSHIP VISITS LENINGRAD--The armed forces training ship "Aris" arrived in Leningrad today. This is the second time that a Greek warship has visited the Soviet Union. The first visit, 7 years ago, was to Odessa and was followed by a visit of two Soviet ships to Piraeus 3 years ago. [Text] [NC111915 Athens Domestic Service in Greek 1830 GMT 11 Aug 82 NC]

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